

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "JUSTICE WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

# Nicole Galloway, CPA

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Missouri State Auditor

Jackson County

Community Backed Anti-Crime Tax  
(COMBAT) Fund

Report No. 2020-015

April 2020

[auditor.mo.gov](http://auditor.mo.gov)



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund

<p><b>Funding and Monitoring</b></p>	<p>The percentages of COMBAT estimated revenues allocated to the various county departments or outside entities established by Resolution 10950 have not been updated since 1995. While the percentages established by the resolution are not required to be followed, the County Legislature has chosen to use those same percentages for over 20 years. Resolution 10950 does not address the additional significant funding provided to programs or departments from the COMBAT Fund's available fund balance that has increased to approximately \$11.9 million as of December 31, 2018. The county has not developed a plan for ensuring that performance evaluations of the programs funded by COMBAT are performed annually as required by county code.</p>
<p><b>MyArts Building</b></p>	<p>The county sold the MyArts building in 2017 for \$10 to the Independence School District without an independent appraisal or cost-benefit analysis. After purchasing the building in 2010 for \$1 from the City of Independence, the county spent over \$1 million of COMBAT funds to renovate the building. The COMBAT program operating out of this building ended and the building was vacant by January 2017. A partnership with the Independence School District was attempted but was unsuccessful. Potential uses for the building by other county departments were presented to the County Legislature. However, documentation indicating the County Legislature considered and discussed those options for the building, or how the sales price was determined, was not provided.</p>
<p><b>Agency Funding</b></p>	<p>The County Legislature appropriates COMBAT funds to outside agencies, without going through the comprehensive process the COMBAT unit follows in awarding similar contracts to agencies. The contracts awarded to one outside agency by the County Legislature, totaling \$120,000 during 2017 and 2018, were a questionable use of COMBAT monies. The COMBAT unit does not always monitor and enforce contract terms for agencies awarded treatment, prevention, or anti-violence contracts paid from the COMBAT Fund, and has not determined if the county's goals for minority hiring and employment has been met for any new jobs created through contracts with agencies receiving funding. One agency funded by the COMBAT unit did not submit any documentation to support how a \$5,000 advance received in September 2016 was used for COMBAT purposes. Approximately 75 agencies receive funding annually, but a system for tracking which of these agencies have received site visits has not been established. Site visits are not performed of all agencies receiving funding from the COMBAT each year, and documentation to support the site visits actually performed was not adequate.</p>
<p><b>Disbursements</b></p>	<p>Documentation was not submitted or was inadequate to support some disbursements made from the COMBAT Fund.</p>

Payroll	The Prosecuting Attorney's administrative control of the COMBAT Fund started on December 28, 2017, when the County Legislature overrode the County Executive's veto of ordinance 5061 that, in part, updated County Code by transferring supervision of the day-to-day administration of the COMBAT tax and COMBAT Commission to the Prosecuting Attorney. Approval from the Prosecuting Attorney was not obtained before processing 7 employee change authorization forms affecting payroll allocations to the COMBAT Fund in January 2018. The county has no documentation to support some allocation of salaries to the COMBAT Fund.
Vehicle Allowances	The county does not have documentation to support how vehicle allowance amounts paid from the COMBAT Fund are reasonable and necessary.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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## **NICOLE GALLOWAY, CPA** **Missouri State Auditor**

Honorable Chairman of the Jackson County Legislature  
and  
Members of the Jackson County Legislature  
and  
Frank White, Jr., Jackson County Executive  
and  
Jean Peters Baker, Jackson County Prosecuting Attorney  
Jackson County, Missouri

We have audited certain operations of the Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund, in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of Jackson County in response to a formal request from the Jackson County Legislature. The county engaged BKD LLP, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2018, and 2017. To minimize duplication of effort, we reviewed the CPA firm's reports. The county also engaged the CPA firm to perform forensic accounting and data analytic services in connection with the activities of the COMBAT program. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2018. The objectives of our audit were to:

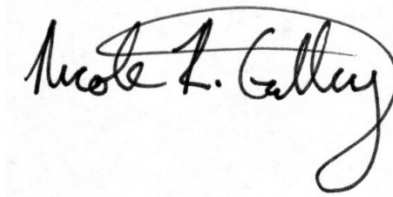
1. Evaluate the county's internal controls over significant management and financial functions of the COMBAT Fund.
2. Evaluate the county's compliance with certain legal provisions related to the COMBAT Fund.
3. Evaluate the economy and efficiency of certain management practices and procedures of the COMBAT Fund, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the COMBAT Fund.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund.

Additional audit reports of various activities and departments of Jackson County are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA  
State Auditor

The following auditors participated in the preparation of this report:

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# Jackson County

## Community Backed Anti-Crime Tax (COMBAT) Fund

### Introduction

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#### **Background**

The State Auditor was requested on February 26, 2018, by the Jackson County Legislature under Section 29.200.3, RSMo, to conduct a performance audit of Jackson County. The resolution requesting the audit is included at Appendix C.

In 1989, Jackson County voters approved a countywide sales tax at the rate of 1/4 of 1 percent "for the purpose of investigation and prosecution of drug and drug related offenses, and the incarceration, rehabilitation, treatment, and judicial processing of adult and juvenile violators of drug and drug related offenses." Voters have extended this sales tax 4 times, and the 2009 extension added violence prevention to the ballot language. The last extension of this sales tax, in 2016, is effective until March 2027. Per the 2016 ballot, this sales tax is "for the purpose of promoting and providing public safety within Jackson County, including the prevention and treatment of drug abuse and addiction and the prevention, investigation, prosecution, and detention of violent criminals and drug dealers."

The COMBAT Commission consists of 9 members appointed by the County Executive who serve in an advisory capacity. One member is appointed from each of the 6 legislative districts and 3 members are appointed from the county at large. The COMBAT Commission is responsible for establishing goals and making recommendations on all funding requests by outside agencies. The COMBAT Commission meets at least quarterly.

Sales tax revenues are allocated to the Prosecuting Attorney's office, Circuit Court, Drug Task Force, Corrections department, Legislative Auditor's office, and the Kansas City Police Department. Jackson County also has a COMBAT unit with staff responsible for, among other things, evaluating funding requests and recommending funding levels for outside entities that provide drug and violence treatment and prevention programs.

The County Executive had administrative control of the COMBAT Fund from 2008 until December 11, 2017, when ordinance 5061 was adopted by the County Legislature. This ordinance transferred administrative control to the Prosecuting Attorney. The County Executive vetoed the ordinance on December 21, 2017, but the County Legislature approved the ordinance by overriding the veto on December 28, 2017. Disputes over the County Legislature's authority to transfer control of the COMBAT Fund led to the County Legislature filing a lawsuit against the County Executive. On January 19, 2018, a court order issued by the Jackson County Circuit Court required the County Executive to refrain from any management activities or take actions to interfere with ordinance 5061. On August 31, 2018, the circuit court issued a final judgment upholding the County Legislature's action to transfer administrative control of the COMBAT Fund to the Prosecuting Attorney.



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On January 3, 2018, the County Executive made a recommendation to the County Legislature to request a comprehensive audit of the county's fiscal and procurement process by the State Auditor's Office (SAO). The County Legislature agreed with this recommendation and passed Resolution 19745 on February 26, 2018, requesting the State Auditor perform an audit of the county (see Appendix C). This request was accepted by the SAO and audit fieldwork started in December 2018. This is the first of several audit reports that will be issued as part of the audit of Jackson County.

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## Scope and Methodology

The scope of this audit included evaluating (1) internal controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the 2 years ended December 31, 2018.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. To gain an understanding of legal requirements governing COMBAT, we reviewed applicable state laws; the county charter, county code, and written policies and procedures; and interviewed various individuals.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.



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# Jackson County

## Community Backed Anti-Crime Tax (COMBAT) Fund

### Management Advisory Report - State Auditor's Findings

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## 1. Funding and Monitoring

The percentages of COMBAT estimated revenues allocated to the various county departments and outside entities have not been updated since 1995. COMBAT monies are spent on programs not included in the funding allocation and are provided to departments for spending in addition to their COMBAT allocation. Also, the county does not perform annual audits and evaluations of programs funded by the COMBAT even though money is allocated for that purpose and the county code requires an annual performance evaluation of such programs.

### 1.1 Allocation of estimated revenues

The county has not updated the percentages of the estimated COMBAT revenues allocated to the various county departments and outside entities receiving COMBAT monies. The County Legislature allocates budgeted revenues for the COMBAT Fund annually through the budget process. The percentages allocated are based on resolution 10950, approved by the County Legislature in September 1995. While the percentages established in that resolution are not required to be followed, the County Legislature has chosen to use those same percentages for over 20 years. The percentages were used as a guide in 2017 and 2018 to determine the allocations, although the amount allocated to the COMBAT unit for prevention, treatment, grant match, and Drug Abuse Resistance Education (D.A.R.E.) programs in 2018 was approximately \$64,000 less than suggested by the resolution.

The resolution also indicates not less than 3/4 of 1 percent of the budgeted revenues be expended for an annual audit and evaluation of the programs supported by the tax. This amount has historically been appropriated to the Legislative Auditor's office and subtracted from the estimated revenues before allocating the remaining revenues as shown in the following table. This information is presented on the COMBAT unit website under the funding distribution section.

Agency/Purpose	Annual Percentage Distribution
Kansas City Police Department	9.50
Jackson County Drug Task Force	9.50
Prosecuting Attorney's office:	
Criminal prosecution	9.50
Deferred prosecution (1)	6.00
Prevention	7.50
Treatment	15.00
Grant match	10.00
D.A.R.E.	6.00
Circuit Court	12.00
Corrections department	15.00
Total	100.00

(1) The COMBAT unit website refers to this program as drug court.



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After removing the allocation for the Legislative Auditor's office each year, the amount of COMBAT revenue available for allocation for 2017 and 2018 was \$22,987,294 and \$23,446,820, respectively. These amounts were used, with the suggested percentages from the resolution when preparing the COMBAT budgets for the years ended December 31, 2017 and 2018, as indicated in the following table. However, as shown, for the year ended December 31, 2018, the total budgeted allocations were \$64,543 less than the amount available for allocation, with the programs administered through the COMBAT unit not receiving their full allocation.

	Year Ended December 31,			
	2017		2018	
	Budgeted Allocations	Percentage Allocated	Budgeted Allocations	Percentage Allocated
Kansas City Police Department	\$ 2,183,793	9.50%	\$ 2,227,448	9.50%
Jackson County Drug Task Force	2,183,793	9.50%	2,227,448	9.50%
Prosecuting Attorney's office				
Criminal prosecution	2,183,793	9.50%	2,227,448	9.50%
Deferred prosecution	1,379,238	6.00%	1,406,809	6.00%
COMBAT unit				
Administration (1)	1,057,795	4.60%	961,518	4.10%
Prevention	1,517,777	6.60%	1,558,430	6.65%
Treatment	3,035,554	13.21%	3,116,859	13.29%
Grant match (2)				
COMBAT unit	1,092,799	4.75%	1,122,069	4.79%
Prosecuting Attorney's office	930,903	4.05%	955,837	4.08%
D.A.R.E.	1,215,279	5.29%	1,247,770	5.32%
Total COMBAT unit	8,850,107	38.50%	8,962,483	38.22%
Circuit Court	2,758,476	12.00%	2,813,618	12.00%
Corrections department	3,448,094	15.00%	3,517,023	15.00%
Total (3)	\$ 22,987,294	100.00%	\$ 23,382,277	99.72%

(1) Funded by a portion of the allocation for Prevention, Treatment, Grant Match, and D.A.R.E.

(2) Grant match is split between the COMBAT unit (54 percent) and Prosecuting Attorney's office (46 percent).

(3) The percentage allocated in 2018 is less than 100% due to a lower allocation for the COMBAT unit.



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The county also provides funding to various other programs through the COMBAT Fund that are not part of the allocation formula (see section 1.2), but are budgeted to be spent from the available fund balance of the COMBAT Fund. This fund balance was approximately \$11.9 million as of December 31, 2018. The fund balance has been increasing each year due to actual sales tax revenues exceeding budgeted amounts and various departments and entities spending less than the amounts budgeted. From 2016 through 2018, the fund balance increased by more than \$1 million each year.

The County Legislature also has not developed any policies or procedures requiring the various departments and outside entities receiving COMBAT monies to justify their use of these monies or the effectiveness of their programs.

To ensure COMBAT monies are used efficiently and anti-crime programs are adequately funded, periodic reviews and updates to the allocation percentages should be performed and entities should be appropriated the full amount of their allocations. An assessment and analysis of how funds were spent by each department or outside entity would allow the COMBAT Commission and the County Legislature to better determine if the allocated funds are being spent appropriately and effectively and if funding changes are necessary.

## 1.2 Spending outside the revenue allocation

Resolution 10950 does not address the additional significant funding provided to programs or departments from the COMBAT Fund's available fund balance. The resolution calls for the allocation to be based on the current year estimated COMBAT revenues and does not consider the available fund balance of the COMBAT Fund.

The county budgeted \$1 million annually for both 2017 and 2018 from the COMBAT Fund's available fund balance for the Prosecuting Attorney's anti-violence program. As shown in Appendix B (department 1200 for 2017 and department 4406 for 2018), approximately \$160,000 was budgeted each year for the prescription drug monitoring program.

The budget for the COMBAT Fund also includes a non-departmental section, with a total budget of approximately \$1.7 million in 2017 (including department 1200) and approximately \$2.35 million in 2018 (see Appendix B). The largest item budgeted is the Non Departmental-Anti-Drug Fund, which had appropriations during 2017 and 2018 of approximately \$1.3 million and \$800,000, respectively. This budget item is intended to account for spending not directly associated with a particular department, such as fringe benefits and payroll taxes, but is also utilized to fund various disbursements for departments already receiving an allocation from COMBAT revenues. For example, \$265,235 was paid from this budget category to repair jail cell doors for the Corrections department. In addition, \$185,000 was budgeted for both 2017 and 2018 for an allowance for outside



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agencies (see MAR finding number 3.1). Other items were also budgeted in 2017 and 2018.

The following chart obtained from the county's finance department shows the actual spending from the monies outside the allocation formula.

Department	Year Ended December 31,	
	2017	2018
Non-departmental		
Employee benefits	\$ 479,158	493,490
Other professional services and contracts	465,807	439,167
Buildings and other equipment	1,022,721	22,000
Outside agencies (1)	60,000	60,000
Operating transfers out	114,663	216,759
Total Non-departmental	2,142,349	1,231,416
Sheriff department	78,476	77,248
Prescription drug monitoring program	95,194	98,022
Prosecuting Attorney anti-violence	1,026,185	999,813
Total Disbursements	\$ 3,342,204	2,406,499

(1) Outside agencies had a total budget of \$185,000. The other \$125,000 was budgeted to the COMBAT unit and disbursed through prevention and treatment programs.

Funding for department-specific programs or other spending should be subject to the allocation percentages established by resolution and budgeted under the department receiving the appropriations. Allocating estimated COMBAT revenues to fund certain programs and using the fund balance to fund other programs allows some departments/offices to receive funding in excess of the percentages established by the resolution. The County Legislature, with input from the COMBAT Commission, should perform a comprehensive review of how anti-crime funding is allocated and ensure all permanent programs are included in the allocation formula establishing the percentages to be allocated. Future allocations should include estimated revenues and some of the COMBAT Fund's available fund balance.

All funding provided from the COMBAT Fund should be authorized in an updated resolution or ordinance setting the funding percentages for each department so that no department receives more funding than authorized.

### 1.3 Program evaluations

The county has not developed a plan for ensuring that performance evaluations of the programs funded by COMBAT are performed annually as required by county code. While the COMBAT Fund is included in the



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county's comprehensive annual financial report (CAFR), the audit of the CAFR does not involve a review of the programs funded by the tax. In addition, resolution 10950 calls for an annual audit and evaluation of the programs supported by the tax as provided for by county resolution.

A review of the COMBAT unit was performed for the year ended December 31, 2014, but only covered the Jackson County Drug Task Force and the programs administered by the COMBAT unit, which are treatment, prevention, D.A.R.E., and grant match. This review represented approximately \$9.2 million (47 percent) of the COMBAT funds administered, but did not include an actual evaluation of the various programs reviewed. In 2015, the County Legislature entered into a multi-year contract for \$148,270 with a company to provide an evaluation of the anti-violence program and prevention program recipients funded by COMBAT. This review was more comprehensive and resulted in the issuance of several reports regarding performance by agencies providing services under these programs. Personnel from the Prosecuting Attorney's office indicated no other reviews have been performed. Considering the size and scope of the programs funded through COMBAT, completing an evaluation of each program every year may not be feasible. However, establishing a cycle or interval by which the programs are reviewed and evaluated should be addressed to ensure compliance with county code.

Chapter 93, Section 9307<sup>1</sup> of the County Code states the county, in consultation with the Prosecuting Attorney, shall annually provide for a performance evaluation of programs funded by the COMBAT, to be conducted by an independent firm or agency. In addition, Resolution 10950 states not less than 3/4 of 1 percent of the anti-crime sales tax be expended for an annual audit and evaluation of the programs supported by this tax. The funds intended to pay for these program evaluations are allocated to the Legislative Auditor's office, but that office did not perform these functions during our audit scope. An annual audit, including evaluating each program funded by COMBAT, would provide assurance that COMBAT funds are being used efficiently and the programs are effective in addressing anti-crime treatment and prevention.

## Recommendations

The County Legislature, County Executive, and Prosecuting Attorney:

- 1.1 Work with the COMBAT Commission to perform a comprehensive review of the sales tax allocation percentages to determine the appropriateness of funding currently being provided and to determine if any changes are necessary to the allocation percentages. In

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<sup>1</sup> This requirement was moved to section 9308 when Chapter 93 was updated in December 2018.



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addition, ensure each entity's annual appropriation from the COMBAT Fund is equal to its share of the allocation.

- 1.2 Ensure all programs and activities budgeted through the COMBAT Fund are included in the allocation percentages. In addition, work with the COMBAT Commission to establish the total amount of COMBAT funds to be allocated each year.
- 1.3 Determine the amount of annual funding to provide for evaluations of the programs funded by the COMBAT and ensure evaluations are performed in accordance with county code.

## Auditee's Response

*The County Legislature provided a written response. See Appendix D.*

*The County Executive provided a written response. See Appendix E.*

*The Prosecuting Attorney provided a written response. See Appendix F.*

## 2. MyArts Building

The county sold the MyArts building for \$10 to the Independence School District without an independent appraisal or cost-benefit analysis. The Assessment department estimated the market value of the building to be at least \$560,000.

The county purchased the MyArts building in December 2010 for \$1 from the City of Independence to house the MyArts program, a drug prevention program operated by an outside agency through the Prosecuting Attorney's office. Federal grant funding supported the program. The county spent COMBAT funds exceeding \$1 million to renovate the building. The MyArts program moved into this building in 2013.

The building was vacant by January 2017 because the federal funding used for the program ended in 2016. During May, June, and July 2017, personnel in the Prosecuting Attorney's and County Executive's offices attempted to negotiate a partnership between the county and the Independence School District to use the building for student educational needs. The school district notified the county by email on July 19, 2017, that the district did not want to enter into a partnership with the county. On August 7, 2017, the County Legislature approved resolution 19545 transferring ownership of the building to the school district for \$10. The resolution indicated the best way for the County Legislature to ensure the building was used as originally intended was to convey the property to the school district. However, there is no documentation the building was to be used for any certain purpose when initially purchased. In addition, county officials could not provide documentation indicating the County Legislature considered and discussed other options for the building, or how the sales price was determined.



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The County Executive indicated the building could have been used for other county needs since the county is paying rent on other buildings for employee workspace. In the August 7, 2017, meeting of the Finance and Audit Committee of the County Legislature, the Deputy Chief Operating Officer (COO) addressed the County Legislature on behalf of the County Executive and informed the members that the county owned the building and there was a need for employee workspace. The Deputy COO informed the County Legislature that court employees had toured the property and expressed interest in the building. He indicated leased workspace for court employees was costing \$48,000 per year and the Assessment department also needed additional workspace. Resolution 19545 transferring ownership to the school district was approved by the County Legislature later that day.

An independent appraisal was not performed on this building prior to its sale. The Assessment department provided 2 estimates of market value to members of the County Executive's staff in June 2017. The cost approach valuation method valued the building at approximately \$560,000 and the income method valued the building at approximately \$450,000. An email written by the Deputy COO to a school official on July 19, 2017, stated, "In conversations with the Assessment Department, the rental rate for this type and size of building could be around \$8 per square feet. Based on the square footage of 16,782, if the County marketed this building for rent, approximately \$1.6 million a year would go back to the COMBAT Fund." It is not known if this information was shared with the County Legislature. No documentation was provided to indicate the County Legislature was aware of this information or sought to determine the value of the building prior to its sale.

It would have been fiscally responsible for county officials to analyze and consider all available options for repurposing, renting, or selling this building. Since the County Legislature did not document an analysis considering all available options prior to this sale, there is less assurance this decision was in the county's best interest.

## Recommendation

The County Legislature, County Executive, and Prosecuting Attorney ensure an evaluation of other options for county property, such as repurposing the building for use by other departments, and a cost-benefit analysis of available options is performed prior to its sale. If a sale is determined to be the best option, an independent appraisal should be obtained to help determine the value of the property prior to the sale.

## Auditee's Response

*The County Legislature provided a written response. See Appendix D.*

*The County Executive provided a written response. See Appendix E.*

*The Prosecuting Attorney provided a written response. See Appendix F.*



### 3. Agency Funding

The process for funding agencies from the COMBAT Fund to provide treatment, prevention, and anti-violence services, and monitoring contracts with these agencies need improvement. The COMBAT unit and County Legislature use separate processes for awarding funding to these agencies. During the 2 years ended December 31, 2018, agencies applying for funding through the COMBAT unit, which are generally not-for-profit organizations, were awarded approximately \$12.3 million, while the County Legislature directly awarded approximately \$370,000 to agencies providing these services.

#### 3.1 Legislative funding

The County Legislature appropriates COMBAT funds to agencies, referred to as "outside agencies," without going through the comprehensive process the COMBAT unit follows in awarding similar contracts to agencies. The County Legislature appropriated \$185,000, in both 2017 and 2018, to 4 outside agencies. No one could provide documentation of any type of evaluation of the proposals submitted to receive this funding and it is unclear if they were evaluated prior to the County Legislature's funding approval.

In both 2017 and 2018, one agency was awarded and paid \$60,000 directly by the County Legislature (see section 3.2). The other 3 agencies received the remaining \$125,000 awarded each year by the County Legislature. Payments were originally paid out of the non-departmental section of the COMBAT Fund's budget, but were subsequently transferred to the COMBAT - Crime Prevention line of the COMBAT budget. This part of the budget is administered by the COMBAT unit. County personnel indicated these 3 agencies had already been awarded contracts through the COMBAT unit, so the actual payments and monitoring of the contracts awarded by the County Legislature was also transferred to the COMBAT unit. The COMBAT unit already has a process for soliciting proposals, selection and awarding of contracts, and monitoring the distribution of funds and compliance with county rules for outside agency funding. It is unclear why the County Legislature provides direct funding to some outside agencies instead of funding them through the COMBAT unit. The awards made by the County Legislature to outside agencies are not approved by the COMBAT Commission or the Prosecuting Attorney, who approves the outside agencies' funding through the COMBAT unit.

The funding of the non-departmental portion of the COMBAT budget is also not part of the funding formula allocation, as discussed in MAR finding number 1.2. The County Legislature awarding funding to outside agencies and not through the COMBAT unit does not provide assurance COMBAT funds are awarded fairly. Additionally, having 2 separate processes creates confusion and allows outside agencies not eligible for funding to be awarded contracts (see section 3.2). Controls should be developed to ensure all outside agencies awarded contracts from COMBAT monies go through the same process and go through the COMBAT unit. These actions are necessary to





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ensure the consistency and appropriateness of the processes for awarding funds to outside agencies.

### 3.2 Legislative oversight

The contracts awarded to one outside agency by the County Legislature, totaling \$120,000 during 2017 and 2018, were not in accordance with the purposes indicated when the sales tax was passed and are a questionable use of COMBAT monies. We identified several concerns with the handling of these contracts. This agency has received \$450,000 in COMBAT monies directly through the County Legislature from 2008 to 2018.

The County Legislature budgeted the funding for this agency from the non-departmental section of the COMBAT Fund prior to receiving the applications. The County Legislature changed to an online application process for outside agency funding in 2016, but the county still accepted paper applications submitted by the agency in 2017 and 2018. This agency received funding for both years even though agency officials did not submit the majority of the required compliance documentation for 2016 or 2017. The COMBAT unit did not perform compliance monitoring either year because these contracts was not turned over to the department (see section 3.1) for monitoring.

For both 2017 and 2018, the agency received the entire contract amount awarded in one payment, rather than in installments based on documented expenditures. In addition, the agency did not submit documentation to support the COMBAT-related use of the awarded funds and it is unclear how these expenditures were a proper use of COMBAT funding. The County Legislature declined to provide funding to this organization in 2019.

It is questionable these expenditures were a proper use of COMBAT monies due to the lack of documentation and unknown use of the funding. Closely monitoring contractor performance and compliance with contract terms is important to ensure COMBAT resources and assets are used wisely.

### 3.3 Contract compliance

The COMBAT unit does not always monitor and enforce contract terms for agencies awarded treatment, prevention, or anti-violence contracts paid from the COMBAT Fund. Our review of contract payments made to 6 agencies provided funding from 2016 to 2018 identified the following concerns:

- The COMBAT unit did not require supporting documentation be submitted timely as required by the contracts. The contracts state that documentation supporting how the COMBAT monies were spent must be submitted by the 20th of the following month. Supporting documentation was not submitted timely in 41 of 99 payments (41 percent) reviewed.



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- Six monthly reimbursements to an agency during 2016 and 2017 included charges for a leased printer, totaling \$733, although reimbursements for equipment were not allowable per the contract.
- Agencies were paid more than the monthly payment allowed in 36 of 99 payments (36 percent) reviewed, although none of the agencies tested received more than the total contract amount for the year. The contracts only allow the outside agencies to claim 1/12 of the amount awarded each month.

Closely monitoring contractor performance and compliance with contract terms is important to ensure COMBAT resources and assets are used wisely and that expectations of the county and the public are met.

### 3.4 Monitoring of goals

The COMBAT unit has not determined if the county's goals for minority hiring and employment have been met for any new jobs created through contracts with agencies receiving funding. The county has established a goal for minority hiring and employment by contracted agencies funded through the COMBAT, and the application for funding utilized by the COMBAT unit requests data on minority hiring and employment; however, this requirement is not monitored by the COMBAT unit.

Chapter 93, Section 9304<sup>2</sup> of the County Code regarding COMBAT indicates, "Any proceeds from the anti-crime sales tax creating jobs and employment shall have a twenty percent goal for minority hiring and employment." The applications for funding completed by agencies applying for funding with the COMBAT unit state, "since this is a specific requirement for COMBAT, it is required during the application period, and will be monitored." In order to ensure compliance with county code, monitoring procedures should be developed for this requirement.

### 3.5 Advances

One agency funded by the COMBAT unit did not submit any documentation to support how a \$5,000 advance received in September 2016 was used for COMBAT purposes. This agency did not request the remainder of its \$20,000 in funding for that contract period. The COMBAT unit did not take any action to recoup these monies. Currently up to 3 months advance payments are allowed to contracted agencies to provide programs or services related to the COMBAT.

To ensure COMBAT Fund disbursements are appropriate and demonstrate compliance with the contracts, the county should discontinue advances and require adequate documentation to support all transactions prior to making any payments.

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<sup>2</sup> This requirement was moved to Section 9305 when Chapter 93 was updated in December 2018.



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### 3.6 Site visits

The COMBAT unit's oversight of agencies provided funding needs improvement. Approximately 75 agencies receive funding annually, but a system for tracking which of these agencies have received site visits has not been established. The COMBAT unit and the Legislative Auditor's office each complete site visits of agencies receiving COMBAT funding. However, personnel in the COMBAT unit indicated the Legislative Auditor's office and the COMBAT unit do not work together to coordinate all planned site visits. The Legislative Auditor indicated her office has helped the COMBAT unit with site visits in the past due to limited availability of COMBAT staff.

The Legislative Auditor's office and the COMBAT unit use different forms to document site visits. The forms used by COMBAT staff have fields allowing personnel to document program objectives and outcomes. However, these forms do not allow for tracking client participation or a review of client files for completeness. The forms used by the Legislative Auditor's office are more detailed and include specific questions related to activities described in the agencies proposal. Consolidating the most useful aspects of both form and ensuring that information related to program outcomes and contract compliance is consistently documented for each site visit would help ensure site visits are effective in monitoring the programs offered by the agencies.

Site visits are not performed of all agencies receiving funding from the COMBAT each year. COMBAT personnel indicated they performed 17 site visits in 2017 and 12 in 2018. However, a complete listing of site visits is not maintained. The Legislative Auditor provided a listing of 22 site visits performed during 2018, while no site visits were performed in 2017. We requested documentation of any site visits performed by the COMBAT staff from 2016 to 2018 for 6 agencies selected for testing, and received only 1 form, from a 2016 site visit. This form documented serious concerns regarding lack of documentation from the provider to show a program related to COMBAT initiatives had been established. The form indicated a follow-up email was sent requesting documentation but there is no documentation a response was received. COMBAT personnel indicated the problems with this agency were remedied and subsequent site visits performed. However, we received no documentation of any additional site visits. This agency received \$27,000 in both 2016 and 2017 for prevention services and no funding in 2018.

For another agency tested, we were given pictures taken during a site visit, but the pictures were not dated or labeled to document when the pictures were taken or what agency was visited. No other site visit documentation was provided for the agencies tested although COMBAT personnel indicated they performed at least one site visit at each of those agencies. Site visits of funded agencies are not specifically required by any established county rules or policies. In June 2019, the COMBAT Director provided a draft copy of a new policies and procedures manual that, if approved, will require an unannounced site visit by the COMBAT program manager to each prevention and treatment agency at least once per year.



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The lack of a coordinated effort by the COMBAT unit and the Legislative Auditor's office to plan and execute site visits of each agency increases the likelihood of duplicate work or an agency not receiving a site visit. Ensuring a detailed site visit checklist form, designed to document important outcomes pledged in the applications for funding and to document compliance with requirements, is used for all site visits performed will increase the likelihood that underperforming agencies are identified and problems are followed up on and corrected. In addition, keeping detailed records of all site visits performed and ensuring documentation for each site visit performed is maintained will provide information to help determine if funding for each agency should continue, and at what amounts.

## Recommendations

The County Legislature, County Executive, and Prosecuting Attorney:

- 3.1 Ensure all agencies applying for funding from the COMBAT Fund go through the selection process utilized by the COMBAT unit.
- 3.2 Ensure all uses of COMBAT monies are appropriate and supported by adequate documentation. In addition, payments to outside agencies should only be made after there is assurance the entities are in compliance with contract requirements.
- 3.3 Ensure payments are only made for invoices submitted timely, amounts paid on contracts are allowable per contract terms, and payments are limited to the monthly allowable amount.
- 3.4 Establish procedures to monitor the minority hiring and employment percentages proposed by agencies in their funding applications.
- 3.5 Discontinue providing advances.
- 3.6 Ensure site visits are performed periodically to determine if agencies are accomplishing outcomes established in their contracts and ensure documentation of each site visit is maintained.

## Auditee's Response

*The County Legislature provided a written response. See Appendix D.*

*The County Executive provided a written response. See Appendix E.*

*The Prosecuting Attorney provided a written response. See Appendix F.*

## 4. Disbursements

The county's controls over disbursements from the COMBAT Fund need improvement. We selected 23 disbursements, totaling \$746,454, for testing and identified the following concerns:



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- COMBAT funds totaling \$4,869 were used when purchasing a county vehicle for use by a member of the County Executive's staff. This funding came from the non-departmental section of the COMBAT Fund's budget. The county used other funding sources to pay for the remainder of the vehicle's cost. Documentation was not maintained to support how this purchase related to the COMBAT programs, making it unclear if this expenditure was a proper use of COMBAT funding.
- A hotel invoice for 5 nights, totaling \$559, in Florida was charged to the COMBAT Fund. No documentation was provided to show the business reason for this expense, who participated in the trip, and how the expenditure related to COMBAT. After we asked about this disbursement, we received documentation indicating an employee of the Jackson County Drug Task Force attended an undercover drug enforcement conference in Florida.
- An invoice submitted for performing drug testing, totaling \$21,175, was not sufficient. The number and type of drug tests performed was not documented. Thus, COMBAT unit personnel could not determine compliance with the contract rates for each type of test. The invoice only indicated monthly testing with a total amount due.

To ensure disbursements are reasonable, necessary, and a proper use of COMBAT monies, detailed invoices or other documentation should be available to support all disbursements.

## Recommendation

The County Legislature, County Executive, and Prosecuting Attorney ensure all purchases are a reasonable and appropriate use of COMBAT monies and adequate documentation is obtained to support all disbursements. In addition, officials should determine if the COMBAT Fund should be repaid from another funding source for the amount paid for the vehicle.

## Auditee's Response

*The County Legislature provided a written response. See Appendix D.*

*The County Executive provided a written response. See Appendix E.*

*The Prosecuting Attorney provided a written response. See Appendix F.*

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## 5. Payroll

The county's system for approval and allocations of payroll related to the COMBAT Fund need improvement.

### 5.1 Approval

Approval from the Prosecuting Attorney was not obtained before processing 7 employee change authorization (ECA) forms to enter payroll changes affecting allocations to the COMBAT Fund in January 2018. As a result, salary costs totaling \$2,960 for 7 employees on the County Executive's staff



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were inappropriately charged to the COMBAT administration line item and paid from the COMBAT Fund in 2018.

The Prosecuting Attorney's administrative control of the COMBAT Fund started on December 28, 2017, when the County Legislature overrode the County Executive's veto of ordinance 5061 that, in part, updated section 9306<sup>3</sup> of the County Code by transferring supervision of the day-to-day administration of the COMBAT tax and COMBAT Commission, and authority for the selection of the COMBAT Director to the Prosecuting Attorney. The Prosecuting Attorney was not consulted by the County Executive to obtain approval for any of the ECA forms dated December 29, 2017, submitted by the County Executive, for payroll allocation changes to several funds, including a line item within the COMBAT Fund no longer under his control. In addition, another form was submitted by the County Executive to allocate a portion of his salary to the COMBAT administration line item in the COMBAT Fund. These forms were submitted to the Finance department for entry into the payroll system with the changes effective for these employees as of January 1, 2018.

Finance department employees performing payroll functions did not enter the majority of the ECA form changes in the system due to the lack of approval and contacted the Prosecuting Attorney. The changes on one form were apparently entered because the allocation charged to the COMBAT Fund was unchanged from the previous year and the changes affected allocations to other funds not under the Prosecuting Attorney's control. The Prosecuting Attorney emailed various county officials/personnel to remind them of the new ordinance related to the COMBAT Fund approval authority and that no allocations of County Executive's staff were to be made from the COMBAT Fund without her approval. However, documentation on several of the forms indicates the Director of Human Resources directed the county's payroll services software provider to process the forms, with the exception of the County Executive's form, as that ECA form was apparently withdrawn. The changes were made in the system to allocate these salaries to the COMBAT administration line item in the COMBAT Fund.

As a result of disputes over the validity of Ordinance 5061 and administrative control of the COMBAT Fund, the County Legislature filed a lawsuit against the County Executive and members of his staff on January 16, 2018. The allocations of the County Executive's staff salaries to the COMBAT Fund were stopped on January 19, 2018, when a Circuit Judge issued a preliminary order for the County Executive to "refrain. . . from exercising the day-to-day supervision of the administration of the COMBAT and COMBAT

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<sup>3</sup>This requirement was moved to section 9307 when Chapter 93 was updated in December 2018.



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Commission and. . . from taking affirmative actions to interfere with and impede the County Prosecutor from fulfilling her duties imposed on her office by Ordinance 5061." As a result, on January 22, 2018, the Prosecuting Attorney approved ECA forms to discontinue these employees' salary allocations from the COMBAT Fund. Subsequently, beginning in March 2018, personnel in the Finance Department made journal entries to remove the salaries and fringe benefits for the affected employees, totaling \$3,122, from the COMBAT Fund. In August 2018, the Circuit Judge issued a final judgment in favor of the County Legislature that affirmed the validity of the ordinance.

Payroll changes are normally processed by the employees within the payroll function of the Finance department. Processing payroll does not fall within the duties of the Director of Human Resources as defined in Chapter 7, Section 752 of the County Code. Chapter 93, Section 9306 of the County Code states the administration of the COMBAT tax and COMBAT Commission shall be under the day-to-day supervision of the Prosecuting Attorney. The authority to determine allowable charges incurred for the administration of the COMBAT tax lies with the Prosecuting Attorney. As such, allocations of personnel costs to line items in the COMBAT Fund under the administrative control of the Prosecuting Attorney should not be performed without her documented approval. Allowing unapproved allocations increases the likelihood that employees' salaries are not properly charged to the correct fund.

## 5.2 Allocation

The county has no documentation to support some allocation of salaries to the COMBAT Fund. During 2017 and 2018, there were 158 and 155 employees, respectively, whose entire salaries, totaling over \$5 million each year, were charged to the COMBAT Fund. The majority of those employees worked in the court, the jail, or the Prosecuting Attorney's office. Another 101 and 114 employees, respectively, had a percentage of their salaries, ranging from less than 1 percent to 98 percent, charged to the COMBAT Fund. During 2017 and 2018, the amount of salaries partially allocated to the COMBAT Fund totaled approximately \$1.9 million and \$2.5 million, respectively. Most of the salaries allocated partially to the COMBAT Fund were for employees in the same offices/departments as those employees fully paid from the COMBAT Fund. A few allocations were made for employees in other departments/offices, such as the Legislative Auditor's office and the Communications department. Support for how the salary allocation amounts were determined or which employees were fully allocated versus partially allocated were not maintained for any of the offices or departments allocating salaries to the COMBAT Fund.

To ensure restricted funds are used for their intended purposes, the allocation of salaries to the COMBAT Fund should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs. Allocating salaries to the



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COMBAT Fund that are not directly related to the administration of the tax reduces the funds available for anti-crime programs and is not an appropriate use of COMBAT monies.

## Recommendations

The County Legislature, County Executive, and Prosecuting Attorney:

- 5.1 Ensure all uses of COMBAT funds are appropriate and any allocations made to the COMBAT Fund are approved by the responsible official.
- 5.2 Allocate salary expenses to the COMBAT Fund based upon specific criteria, retain documentation to support the allocations made, and ensure all salaries paid are an appropriate use of COMBAT monies.

## Auditee's Response

*The County Legislature provided a written response. See Appendix D.*

*The County Executive provided a written response. See Appendix E.*

*The Prosecuting Attorney provided a written response. See Appendix F.*

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## 6. Vehicle Allowances

The county does not have documentation to support how vehicle allowance amounts paid from the COMBAT Fund are reasonable and necessary. Vehicle allowances, ranging from \$20 to \$9,600 annually, were paid to employees from the COMBAT Fund for use of their personal vehicles. Due to the lack of records, it is not clear if any business miles incurred by these employees related to the COMBAT Fund.

The following table includes vehicle allowance payments, totaling \$55,009, made to 15 employees from the COMBAT Fund during the 2 years ended December 31, 2018.





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Job Title	Year Ended December 31,		
	2017	2018	Total
Director of Corrections	\$ 9,600	5,000	14,600
Deputy Director, COMBAT	3,450	3,900	7,350
Chief Deputy Auditor, Legislative Auditor's office	1,650	3,300	4,950
Director of Communications, Prosecuting Attorney's office	2,760	2,760	5,520
Program Manager, COMBAT	2,200	2,600	4,800
Legislative Auditor	2,208	2,208	4,416
Chief of Operations, Prosecuting Attorney's office	1,200	1,860	3,060
Legislative Aide	204	204	408
Assistant Auditor, Legislative Auditor's office	135	135	270
Chief of Health Services	630	52	683
Assistant to the County Executive	60	20	80
COMBAT Director	3,600	0	3,600
Program Administrator, COMBAT	2,900	0	2,900
Communications Liaison	2,119	0	2,119
Assistant Auditor, Legislative Auditor's office	254	0	254
<b>Total</b>	<b>\$ 32,970</b>	<b>22,039</b>	<b>55,009</b>

The vehicle allowances paid to these employees from the COMBAT Fund were determined based on the percentage of their salary paid from the COMBAT Fund. The amount of vehicle usage by these employees related to COMBAT activities or functions is not considered when determining the allocations. Due to the lack of adequate records supporting how the amounts were determined, it is unclear if these amounts are reasonable.

To ensure restricted funds are used for their intended purposes, the county should periodically review the reasonableness of the vehicle allowances paid from the COMBAT Fund. Vehicle allowances should be based on a reasonable estimate of miles driven for purposes related to the COMBAT.

## Recommendation

The County Legislature, County Executive, and Prosecuting Attorney review vehicle allowances paid from the COMBAT Fund, ensure adequate support for the allowances is maintained, and ensure the allowances relate to COMBAT Fund activities.

## Auditee's Response

*The County Legislature provided a written response. See Appendix D.*

*The County Executive provided a written response. See Appendix E.*

*The Prosecuting Attorney provided a written response. See Appendix F.*

# Jackson County

## Community Backed Anti-Crime Tax (COMBAT) Fund

### Organization and Statistical Information

The COMBAT Commission is charged with the responsibility of establishing the priorities of the COMBAT unit and making recommendations to the County Legislature for the funding of various initiatives that support its mission.

On November 6, 2018, county voters approved amendments to the Jackson County Charter effective January 1, 2019. These amendments included, among other things, providing term limits for the Sheriff and Prosecuting Attorney, and granting the (1) Sheriff the duty and authority to operate the county detention center and other detention facilities, and (2) Prosecuting Attorney authority over the county anti-crime sales tax.

#### Elected Officials

The elected county officials who played a role in the administration of the COMBAT and their term and compensation paid for the year ended December 31, 2018 (except as noted), are indicated below:

Elected Official	Term	Compensation
Scott Burnett, Chairman, 1st District	1/1/15 - 12/31/18 <sup>1</sup>	\$ 38,481 <sup>4</sup>
Alfred Jordan, Vice Chairman, 2nd District	1/1/15 - 12/31/18	38,481 <sup>4</sup>
Garry J. Baker, 1st District At-Large	1/1/15 - 12/31/18	38,481 <sup>4</sup>
Crystal J. Williams, 2nd District At-Large	1/1/15 - 12/31/18 <sup>1</sup>	34,881
Tony Miller, 3rd District At-Large	1/1/15 - 12/31/18 <sup>1</sup>	40,481 <sup>4</sup>
Dennis Waits, 3rd District	1/1/15 - 12/31/18	41,181 <sup>4</sup>
Dan Tarwater III, 4th District	1/1/15 - 12/31/18 <sup>1</sup>	38,481 <sup>4</sup>
Greg Grounds, 5th District	1/1/15 - 12/31/18	38,481 <sup>4</sup>
Theresa Galvin, 6th District <sup>5</sup>	1/1/15 - 12/31/18 <sup>1</sup>	38,481 <sup>4</sup>
Frank White Jr., County Executive	1/11/16 - 12/31/18 <sup>2</sup>	157,960 <sup>4</sup>
Jean Peters Baker, Prosecuting Attorney	1/1/17 - 12/31/20	142,892 <sup>4</sup>
Darryl Forte, County Sheriff	5/10/18 - 12/31/20 <sup>3</sup>	64,532

<sup>1</sup> Reelected November 6, 2018.

<sup>2</sup> Appointed by the County Legislature to replace County Executive Mike Sanders who resigned January 5, 2016. Elected November 8, 2016, to finish unexpired term. Reelected November 6, 2018.

<sup>3</sup> Appointed by the County Executive to replace Sheriff Mike Sharp who resigned April 19, 2018. Elected November 6, 2018, to finish unexpired term.

<sup>4</sup> Regular salary plus car allowance, county vehicle usage, phone allowance, and/or other miscellaneous compensation.

<sup>5</sup> Selected as Chairman effective January 1, 2019.

#### COMBAT Commission

The COMBAT Commission is an advisory committee comprised of 9 members appointed by the County Executive who each receive \$400 per meeting attended, as of December 28, 2017, with the maximum payments of \$4,800 per calendar year. The members of the COMBAT Commission as of December 31, 2018, are as listed below.



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Organization and Statistical Information

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Member	Term Ends
James A. Witteman, Jr., Chairman (1)	December 31, 2019
Kelvin L. Walls, M.D.	December 31, 2021
Lanna Ultican	December 31, 2021
Dr. Joseph Spalitto	December 31, 2020
Keith Querry	December 31, 2019
Charles (Gene) E. Morgan	December 31, 2020
Melesa N. Johnson (2)	December 31, 2019
Mark S. Bryant	December 31, 2020
Larry Michael Beaty (3)	December 31, 2021

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(1) James A. Witteman Jr., resigned on April 8, 2019.

(2) Melesa N. Johnson resigned on August 29, 2019.

(3) Larry Michael Beaty was appointed Chairman on January 1, 2020.

## Financial Activity

A summary of the COMBAT Fund's financial activity for the year ended December 31, 2017, and 2018, which was obtained from information in the Jackson County Comprehensive Annual Financial Report, follows as Appendix A:



Appendix A  
 Jackson County  
 Community Backed Anti-Crime Tax (COMBAT) Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance

	Anti-Drug Sales Tax Fund (COMBAT)	
	Year Ended December 31,	
	2017	2018
<b>Revenues</b>		
Other taxes	\$ 24,434,817	24,626,625
Intergovernmental	509,348	671,036
Charges for services	31,161	3,730
Interest	26,027	64,319
Miscellaneous	15,941	414
Total revenues	<u>25,017,294</u>	<u>25,366,124</u>
<b>Expenditures</b>		
General governmental	4,610,088	3,667,677
Public safety	19,974,695	20,308,567
Total expenditures	<u>24,584,783</u>	<u>23,976,244</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in:	241,688	0
Transfer out	(114,663)	(216,759)
Total other financing sources (uses)	<u>127,025</u>	<u>(216,759)</u>
NET CHANGE IN FUND BALANCE	559,536	1,173,121
BEGINNING FUND BALANCE, JANUARY 1	10,233,712	10,793,248
ENDING FUND BALANCE, DECEMBER 31	<u>\$ 10,793,248</u>	<u>11,966,369</u>



Appendix B  
 Jackson County  
 Community Backed Anti-Crime Tax (COMBAT) Fund  
 Anti-Drug Sales Tax Fund Expense Budget by Department

**EXPENSE BUDGET BY DEPARTMENT**  
**2018**

**FUND : ANTI-DRUG SALES TAX- 008**

DEPT	DESCRIPTION	2016 ACTUAL EXPENDITURE	2017 ADOPTED BUDGET	2017	
				SUPPLEMENTAL APPROPRIATIONS	2018 ADOPTED BUDGET
	Salaries	\$ 9,292,011	\$ 11,087,136	\$ -	\$ 11,493,250
	Contractual Services	12,661,627	14,577,921	-	15,388,041
	Supplies	239,458	157,259	-	137,596
	Capital Outlay	1,782,598	23,130	-	47,719
	<b>Total</b>	<b>\$ 23,975,694</b>	<b>\$ 25,845,446</b>	<b>\$ -</b>	<b>\$ 27,066,605</b>
0301	Legislature Auditor	\$ 147,869	\$ 173,708	\$ -	\$ 177,180
<b>LEGISLATURE</b>		<b>147,869</b>	<b>173,708</b>	<b>-</b>	<b>177,180</b>
2304	Detention Center - Population Control	425,356	401,410	-	533,523
2701	Corrections Department	3,374,017	3,046,684	385,610	2,983,500
<b>OPERATIONS</b>		<b>3,799,373</b>	<b>3,448,094</b>	<b>385,610</b>	<b>3,517,023</b>
2101	Family Court	1,232,472	1,740,086	-	1,786,439
3001	Circuit Court	629,935	792,403	-	801,192
3003	Public Defender Rent	216,650	225,987	-	225,987
<b>JUDICIAL FUNCTIONS</b>		<b>2,079,057</b>	<b>2,758,476</b>	<b>-</b>	<b>2,813,618</b>
4152	Prosecuting Attorney-Criminal	1,863,839	2,183,793	-	2,227,448
4154	Prosecuting Attorney-Deferred Prosecution	982,226	1,379,238	-	1,406,809
4156	Prosecutor Comm Crime/Drug Prev Programs	474,738	930,903	-	955,837
4102	Prosecutors Anti-Violence	762,339	1,000,000	-	1,000,000
<b>PROSECUTING ATTORNEY</b>		<b>4,148,955</b>	<b>5,493,934</b>	<b>-</b>	<b>5,590,094</b>
4401	COMBAT - Administration	893,051	1,057,795	-	961,518
4402	COMBAT - Crime Prevention	1,461,120	1,517,777	-	1,558,430
4403	COMBAT - D.A.R.E.	1,079,129	1,215,279	-	1,247,770
4404	COMBAT - Treatment	2,790,562	3,035,554	-	3,116,859
4405	COMBAT - Grant Match	904,112	1,092,799	-	1,122,069
4406	COMBAT - PDMP	-	-	-	158,005
4151	Jackson County Drug Task Force	1,754,590	2,183,793	-	2,227,448
4153	KC Police Department	2,126,926	2,183,793	-	2,227,448
<b>COMBAT</b>		<b>11,009,490</b>	<b>12,286,790</b>	<b>-</b>	<b>12,619,547</b>
1200	Prescription Drug Monitoring Program	-	163,394	-	-
5108	Non Departmental-Anti-Drug Fund	2,561,105	1,323,041	-	778,267
8005	Contingency Fund	-	13,009	-	-
8006	Reserve	-	-	-	1,385,877
9000	Allowance for Outside Agencies	125,000	185,000	-	185,000
9100	Operating Transfers:	-	-	-	-
	2010B Bond Debt Service	-	-	-	-
	Transfer to Grant Fund	-	-	-	-
	Trust Indenture for prior debt	-	-	-	-
<b>NON-DEPARTMENTAL</b>		<b>2,686,105</b>	<b>1,684,444</b>	<b>-</b>	<b>2,349,144</b>
<b>TOTAL ANTI-DRUG SALES TAX FUND</b>		<b>\$ 23,975,694</b>	<b>\$ 25,845,446</b>	<b>\$ 385,610</b>	<b>\$ 27,066,605</b>

The 4156 Program was funded from the COMBAT Grant Match program (4405). Program 4156 is in the Prosecutor's Budget and Program 4405 is in the COMBAT Budget.



Appendix C  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Resolution Requesting Audit

**IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI**

**A RESOLUTION** requesting the Missouri State Auditor to conduct a comprehensive performance audit to examine and evaluate the management of Jackson County's fiscal, budgetary, and procurement policies and procedures to ensure transparency and accountability to the taxpayers in the expenditure of public funds.

**RESOLUTION NO. 19745**, February 26, 2018

**INTRODUCED BY** Scott Burnett, County Legislator

WHEREAS, the Legislature adopted the County's 2018 annual budget via a floor amendment to Ordinance 5052 on December 15, 2017; and,

WHEREAS, in the Legislature's final adopted budget memorandum dated December 15, 2017, attached as Exhibit A, the Legislature raised several concerns regarding the expenditure and transfer of funds budgeted within non-departmental accounts, questionable spending on contracts, and the need for transparency and accountability; and,

WHEREAS, on January 3, 2018, the County Executive recommended that the Legislature request the Missouri State Auditor to conduct a comprehensive audit of the County's fiscal and procurement processes; and,

WHEREAS, the Legislature is hopeful that an independent audit by the Missouri State Auditor will provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws; and,



Appendix C  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Resolution Requesting Audit

WHEREAS, the Legislature recommends the scope of the comprehensive audit include, but not be limited to, determining the existence of:

- Effective oversight of the awarding and administering of legal and professional services contracts and whether any County employee, officer or elected official received a separate, personal benefit from any such contract; and,
- Proper internal controls to ensure best practices of the authority to transfer \$9,999 or less from one appropriation account to another without Legislative approval; and,
- Proper fiscal, budgetary, and procurement policies and procedures for internal operations; and,
- Conformity and compliance with existing fiscal, budgetary, and procurement policies and procedures and to ensure that they do not contradict or conflict with the County code or State regulations; and,
- Compliance with governmental best practices in the financial management of fiscal, budgetary, and procurement policies and procedures and identification of areas of improvement as needed;

and,

WHEREAS, the Legislature desires the Missouri State Auditor to conduct the audit in as expeditious a manner as possible and to prepare a written report noting findings, recommendations, and conclusions; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the Legislature hereby requests that the Missouri State Auditor conduct a comprehensive audit of the County's finances in accordance with this Resolution.



Appendix C  
 Jackson County  
 Community Backed Anti-Crime Tax (COMBAT) Fund  
 Resolution Requesting Audit

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:

[Signature]  
 Chief Deputy County Counselor

[Signature]  
 County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution No. 19745 of February 26, 2018, was duly passed on February 26, 2018 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 8

Nays 0

Abstaining 0

Absent 0

Excused 1

2/26/18  
 Date

[Signature]  
 Mary Jo Spino, Clerk of Legislature





Appendix D  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Auditee Response - County Legislature



**COUNTY LEGISLATURE  
JACKSON COUNTY, MISSOURI**

**THERESA CASS GALVIN  
LEGISLATIVE CHAIRMAN  
JACKSON COUNTY LEGISLATOR, 6TH DISTRICT**

JACKSON COUNTY COURTHOUSE  
415 E. 12th Street, 2nd Floor  
Kansas City, Missouri 64106

Office: 816-881-3132  
Fax: 816-881-3340  
[www.jacksongov.org](http://www.jacksongov.org)



March 16, 2020

Nicole Galloway  
Missouri State Auditor  
Truman State Office Building  
301 West High Street, Rm 880, P.O. Box 869  
Jefferson City, Missouri 65102

Honorable Auditor Galloway,

In February 2018 the Jackson County Legislature formally requested an independent audit by the Missouri State Auditor to provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws.

The County Legislature greatly appreciates the State Auditor's time and efforts in conducting an audit and issuing a report of the Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund as the first of multiple areas of review. The County Legislature supports the report's recommendations and will continue oversight efforts by working diligently with all responsible parties to monitor the implementation of all recommendations, including, but not limited to, regular updates and hearings before the full legislative body.

*Harry S. Truman, Presiding Judge, 1927-1934*





Appendix E  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Auditee Response - County Executive



FRANK WHITE, JR.  
Jackson County Executive

March 18, 2020

Mr. Todd Schuler  
Audit Manager  
Office of the State Auditor  
Fletcher Daniels State Office Building  
615 E. 13th Street, Room 511  
Kansas City, MO 64106

VIA EMAIL [todd.schuler@auditor.mo.gov](mailto:todd.schuler@auditor.mo.gov)

Dear Mr. Schuler,

In response to your request for my office's response, please see the information below:

1.1 & 1.2

As stated in the report, the County Legislature is responsible for the allocation of the COMBAT fund "through the budget process." While the report references a non-binding resolution of intent passed by the Jackson County Legislature 25 years ago, the report also accurately points out that the percentages discussed in that Resolution "are not required to be followed (. . .)." My Administration supports, and is willing to participate if invited, in a comprehensive review of the current allocation formula to ensure that these funds are currently being used as effectively as possible.

1.3

As the audit states, Jackson County COMBAT is part of the County's Comprehensive Annual Financial Report (CAFR). The CAFR is conducted by independent auditors from a third-party firm of licensed certified public accountants. For the past 32 years the County's CAFR has been awarded the "Certificate of Achievement for Excellence in Financial Reporting" by the Government Finance Officers Association of the United States and Canada (GFOA).

In addition to the County's annual financial audit, the County has engaged outside experts in the past to conduct numerous evaluations of COMBAT programming during the scope of this audit. For example, on December 7, 2016, Resource Development Institute (RDI) published a 42-page report that analyzed COMBAT's funding of community-based agencies that were engaged in crime and drug prevention efforts. This report followed RDI's evaluation and report on COMBAT's Anti-Violence Special Initiative.

While my Administration has not been responsible for the Administration of COMBAT for over two years, we support the report's recommendation that evaluations are performed moving forward.





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Community Backed Anti-Crime Tax (COMBAT) Fund  
Auditee Response - County Executive

2.0.

As the report states, my Administration opposed the sale of the MyArts building at the time and still believes that the sale of the building was both imprudent and improper. The report accurately states that the sale was authorized by the Legislature prior to obtaining an independent appraisal of the property, nor were other options seriously considered. While the County Legislature is ultimately responsible for the sale of County property, my Administration will continue to advocate for the reforms recommended by this report.

3.1-3.6

Due to changes made to the County Code and Charter, my Administration has not been involved in the awarding of contracts to community based non-profits in more than two years. As County Executive, I support the report's recommendations and am hopeful that the parties now responsible will fully implement these changes immediately, if they have not already done so. To the extent I, or my staff, can be of assistance in such efforts, we stand ready and willing to assist.

4

On November 30, 2015, the Jackson County Legislature approved Resolution 19014. Resolution 19014, in part, authorized the County's Director of Finance and Purchasing to award numerous term and supply contracts for the purchasing of new vehicles, pursuant to the terms established from a competitively bid contract solicitation process. In addition, Resolution 19014 authorized the Director of Finance and Purchasing "to make all payments, including final payment" on all purchases made pursuant to the aforementioned contracts.

In 2016, I hired an employee to work in my office, and in accordance with the applicable provisions of the Jackson County Personnel Rules, the employee was given the option of a take-home vehicle or car allowance. On August 25, 2016, the Director of Finance and Purchasing transferred funds within the non-departmental budget to cover the acquisition costs of a vehicle for the employee. During the course of the audit, the Director of Finance and Purchasing was no longer a member of my staff. Current staff within the county's Finance and Purchasing Department attempted, but were unable to find paperwork that clearly stated the justification for the use of COMBAT funds for a small portion of this purchase. I agree with the report's recommendation that proper documentation should have been maintained, regardless of staff changes, and have instructed my staff to take all steps necessary to ensure that documentation is properly maintained.

When questions were raised over two years ago about the appropriateness of the Director of Finance and Purchasing's use of a small amount of COMBAT funds to accomplish this purchase, my office immediately asked the County Counselor's Office if this usage was in compliance with both state law and the county code. My office was told in no uncertain terms, that due to the work and responsibility of the staff member, the use of COMBAT funds was appropriate.



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5.1-5.2

While we believe there are factual inaccuracies in this section, due to the terms of a legal settlement agreed to by the County Legislature, County officials and staff are unable to comment further on this matter. As stated previously, my Administration believes COMBAT funds should be used to improve public safety and proper documentation of those uses should be maintained.

6.

The County is currently engaged in the review of the County's long-standing vehicle allowance policies and practices. The County will take the steps necessary to ensure that vehicle allowances, if provided in the future, are charged to the appropriate funds and sufficient documentation is maintained.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank White, Jr.", written over a horizontal line.

Frank White, Jr.  
Jackson County Executive



Appendix F  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Auditee Response - Prosecuting Attorney



**JEAN PETERS BAKER**  
**Jackson County Prosecuting Attorney**

March 17, 2020

Nicole Galloway, CPA  
Missouri State Auditor  
301 W. High Street Room 880  
Jefferson City, Missouri 65102

Re: Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund Audit

Dear State Auditor Galloway:

On December 28, 2017, the Jackson County Legislature unanimously voted to override the County Executive's veto regarding transferring COMBAT Administration to the Prosecutor's oversight. Disputes over the County Legislature's authority to transfer control of the COMBAT Fund led to the County Legislature filing a lawsuit against the County Executive. This led to a temporary court order issued on January 19, 2018 requiring shared supervision of COMBAT Administration between the County Executive's Office and the Prosecutor's Office. The Circuit Court issued its final order on August 31, 2018 upholding the County Legislature's action to transfer administrative control of the COMBAT Fund to the Prosecutor. The full oversight of COMBAT was not awarded to the Prosecutor's Office until December 2018 when the County Executive dismissed his appeal of the Circuit Court's order. This history is noted as the scope of this audit is primarily during the time that COMBAT was managed by the County Executive.

Please find attached my responses to the audit findings.

Sincerely,

*Jean Peters Baker*



Appendix F  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Auditee Response - Prosecuting Attorney

Jean Peters Baker  
Prosecutor for Jackson County



Appendix F  
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Community Backed Anti-Crime Tax (COMBAT) Fund  
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Auditee's Responses – Prosecuting Attorney

**1. Funding & Monitoring**

1.1 Estimated revenues for COMBAT are determined by the County Finance Department, under the County Executive's management. These estimated revenues, in part, are used to draft the proposed county budget and typically include each department's or elected official's own proposed budget that is submitted to the Finance Department. The full proposed county budget is drafted by the County Executive's Administration and then provided to the County Legislature for any modifications and approval each November. The County Executive has veto power over the budget, balanced by the County Legislature power to overturn the veto. The Prosecuting Attorney has no role in the budget process after submitting her own department's proposed budget to the Finance Department, outside of public testimony before the Legislature.

During the scope of this 2017-2018 audit, the Prosecuting Attorney was not provided an opportunity for discussion, input or oversight regarding the determination of estimated revenues or the allocation of COMBAT funds to the departments listed in the funding formula. The Prosecuting Attorney, worked with the COMBAT Commission, County Legislature and County Executive regarding program funding recommendations for COMBAT funded agencies after administrative control of the COMBAT Administration was directed to her oversight in December 2017. However, she continued to operate under Court Order, requiring shared supervision between the Prosecuting Attorney's Office and the County Executive's Office. It should be noted that full oversight of COMBAT was not awarded to the Prosecutor until December 2018 after the County Executive dismissed his appeal of Judge Wolf's order granting COMBAT Administration to the Prosecuting Attorney. Even with full administrative oversight of COMBAT, the Prosecutor relies on county departments who report directly to the County Executive, for day-to-day functions such as payroll, drafting of contracts, and disbursing monies to COMBAT funded agencies.

The County Executive and County Legislature are guided by the funding allocations determined through a 1995 resolution. The Prosecutor agrees that those 1995 allocation percentages should be reviewed with the COMBAT Commission and the County Legislature. The County Executive no longer plays a role in the decisions regarding COMBAT funds as of the vote of the people of Jackson County in November 2018 and dismissal of his appeal. The Prosecutor agrees that each entity receiving an annual appropriation from COMBAT should receive their full allocation.

1.2 In 2009, Jackson County citizens approved broadening COMBAT's mission to the prevention and treatment of violence. This addition, however, was not reflected in a change to the funding formula by either the County Executive (who oversaw COMBAT at the time) or the County Legislature. As noted in the audit, the past and current County Executive did provide additional money for the Prosecuting Attorney's anti-violence programs. Those dollars were proposed as a much needed budget increase to the Prosecutor's annual budget and were highlighted by County Executive Mike Sanders and Frank White in their respective budget proposals. As the Prosecutor now has administrative oversight of COMBAT, she has voluntarily reduced that allocation though the funds were previously directed as a budget increase. The Prosecutor will continue to make cuts in her department to fully return the earlier budget increase in the hopes of maintaining current employees' positions. The 2020 County budget was the first opportunity for the Prosecutor to shape decisions regarding COMBAT allocations. This new guidance has resulted in a substantial reduction of funds received by other County



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departments outside the allocation formula. Additionally, in the 2020 budget process, the Prosecutor directed the County Finance Department to include revenues from the fund balance (minus an emergency contingency) along with the estimated revenues when developing the County budget.

The Prosecuting Attorney will continue to work with the COMBAT Commission, County Legislature and the County Executive's Finance Department to improve the transparency of COMBAT funds and their allocation.

1.3 During the scope of this audit, the County Legislature complied with Resolution 10950's requirement for an annual audit and program evaluation by an independent firm or agency by budgeting COMBAT funds to the County Auditor's Office. In collaboration with the Prosecuting Attorney's Office and County Legislature, the County Auditor did not request these COMBAT funds for her 2020 department budget.

The Prosecutor agrees that an annual audit and evaluation of programs by an independent firm or agency funded by COMBAT should be performed as provided by County resolution and County Code.

## **2. MyArts Building**

The Prosecuting Attorney's Office is guided by County Code regarding disposal of county property in its possession. The County Executive's Administration (County) maintains legal authority over all Jackson County properties, including the MyArts building; while the Prosecuting Attorney's Office had oversight of programming occurring within the MyArts building. The Prosecuting Attorney's Office was, however, responsible for security and utility expenses at a cost of approximately \$50,000 annually at this location. Additionally, the Prosecutor was responsible for programming costs not covered by federal grants. In December of 2016, federal grant dollars for the programming in the MyArts building were not renewed. In 2017, the Prosecutor began discussions with the Independence School District (ISD) regarding a joint program in the MyArts building in order to continue a student oriented violence and drug prevention programming in Independence. The Prosecutor was seeking additional partners to fully utilize the space, but also to assist with the expense of the building. The County, as holding the legal authority of the MyArts building, was involved in those discussions. These discussions included building renovations paid for by ISD. ISD had further meetings with the County's Public Works/Facilities staff, including their architect, to discuss details of the renovations. As noted in the audit, the Deputy COO conveyed in a July 2017 writing to ISD an offer of a one year lease plus rent. It is our understanding that ISD rejected this proposal due to the need for a longer agreement in order to justify the renovations and respective expenses. No members of the Prosecuting Attorney's Office were engaged in any discussions regarding the sale of the MyArts building with ISD or any other purchaser, nor were members of this office engaged in the negotiations on the length of a contract for the County. As negotiations continued with ISD and the County with the future of the building was in question, the Prosecutor made clear to the Legislature and to the County Administration that her budget could not sustain the maintenance and use of the building in future years. The remaining decisions made regarding the MyArts building did not include any members of the Prosecutor's Office.





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Auditee Response - Prosecuting Attorney

**3. Treatment and Prevention Funding**

3.1 The Prosecuting Attorney's Office and the COMBAT Administration work jointly to ensure all applying agencies follow an established process and protocol to receive funding. Funding recommendations include the use of independent evaluations, staff scores and audit compliance before being presented to the COMBAT Commission. The COMBAT Commission requires public hearings in the approval process. The final step rests with the County Legislature for approval in public hearings. Before oversight was placed under the Prosecutor, the County Legislature awarded money from the COMBAT sales tax fund to agencies outside the COMBAT Administration/COMBAT Commission process. In collaboration with the Prosecutor, the Legislature changed this practice, ending COMBAT revenues used for outside agency funding in the 2020 budget.

3.2 The agency that is referred to in this section was not funded through the COMBAT Administration/COMBAT Commission process or the Prosecuting Attorney's Office. The Prosecutor agrees that all uses of COMBAT monies should be appropriate and supported by adequate documentation and that payments should only be made to agencies that are in compliance with contract requirements.

3.3 While the County Executive maintained oversight of COMBAT, the COMBAT Administration was fully staffed with 6 employees. In December of 2017, after the County Legislature transferred oversight of COMBAT to the Prosecuting Attorney's Office, the COMBAT Administration employed four employees. In February of 2018, Judge Wolf issued a Temporary Order requiring a hiring freeze until his Final Order issued on August 31, 2018. Following this Order, the County Executive immediately filed an appeal to the Missouri Court of Appeals. On November 6, 2018, Jackson County voters confirmed the transfer of COMBAT to the Prosecuting Attorney's Office and in December of 2018, the County Executive finally dismissed his appeal. With the Prosecutor's oversight, the COMBAT Administration is now fully staffed after creating new positions and the hiring of additional employees to fully support the mission of the COMBAT sales tax.

The Prosecutor agrees that invoices should be submitted timely by funded agencies, that payments be consistent with contract terms and that payments are limited to the monthly allowable amount. The newly created COMBAT Budget Coordinator position serves to meet these expectations with her expertise serving as an accountant, budget analyst and contract administrator.

3.4 While the County Executive maintained oversight of the COMBAT Administration, a goal of twenty percent minority hiring and employment remained the policy; however, compliance with this goal was not monitored. In 2019, with the support from the Prosecutor, COMBAT Administration has hired three site monitors who will track efforts toward achieving the minority goal.

3.5 The Prosecuting Attorney and COMBAT Administration are seeking appropriate funding cycles regarding the recommendation to cease all funding advances. The County's delayed approval process and the COMBAT funded agencies' reliance on COMBAT funding to meet payroll obligations are factors that must be considered in this determination. The Prosecutor agrees that adequate documentation should be provided from all COMBAT funded agencies to support all transactions.

3.6 The Prosecuting Attorney agrees that under the scope of this audit that the COMBAT Administration's oversight of agencies needed improvement. Since December of 2018 and the transfer



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of oversight, the Prosecuting Attorney has supported the COMBAT Administration to hire staff in order to improve this oversight. Site monitors were hired to assist COMBAT Administration in performing site visits of all COMBAT funded agencies and to ensure that program outcomes and contract compliance are consistently documented.

**4. Disbursements**

During the scope of this audit the Prosecuting Attorney and COMBAT Administration had no knowledge of how COMBAT funds were spent from any of the County departments that receive COMBAT funds per the funding formula. The County Finance Department reports to the County Executive and has control over the FMS system which is the County's financial system. During the scope of this audit the COMBAT Administration only has access to view the expenditures in FMS that are from the COMBAT Administration. The County Finance Department which reports to the County Executive determines if expenditures of COMBAT funds are appropriate and whether or not proper documentation has been provided to the Finance Department prior to the payment of any invoices. Since 2018, the Prosecuting Attorney has required that all Requests for Legislative Action (RLAs) using COMBAT funds have her approval prior to their submittal to the County Counselor's office. However, the Prosecuting Attorney has no ability to review other expenditures without the cooperation of the County Executive and his Finance Department.

The Prosecuting Attorney agrees that the County Executive's Chief of Staff use of COMBAT funds for his personal vehicle purchase was not a proper use of COMBAT funds and has previously requested that he repay COMBAT Administration the amount of COMBAT funds used in his purchase of this County vehicle.

**5. Payroll**

5.1 To be clear, this section refers to a Whistleblower, the County Executive's Administration, and the County Executive's treatment of that Whistleblower. The Whistleblower was employed by the County Finance Department when he refused the County Executive's order in the attached email. The Prosecutor finds the orders to the Whistleblower and the termination of his employment by the County Executive to be contrary to the values and duties of a public servant or of a public entity. This Whistleblower should have been protected, but instead, was fired. The costs for that action were born out through a lawsuit. The County Executive ultimately authorized a settlement of \$747,000.00 of taxpayer dollars to the Whistleblower for the improper actions taken against this employee. \*\*\*See the attachments showing the Whistleblower's email to County Officials on this issue.\*\*\*

The County Legislature unanimously voted (9-0) to override the County Executive's veto regarding transferring COMBAT Administration to the Prosecutor's oversight. At that time, COMBAT Administration consisted of only 4 employees. The day after his veto was overridden, the County Executive flagrantly disregarded the Legislature's power and submitted 5 employee change authorization (ECA) forms for payroll allocation from COMBAT funds to individuals of the County Executive's staff who did not perform any COMBAT functions. The 5 named employees, which included



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the County Executive, had not previously been funded out of COMBAT funds prior to this request by the County Executive. The County Executive submitted 2 other ECA forms for employees of the County Executive's Administration who were receiving part of their salary from COMBAT fund to maintain the percentage of one of the employees and increased the other employee's salary reliance on COMBAT funds. At this same time, the County Executive also submitted 1 ECA to stop paying the salary of one member of his Administration out of the COMBAT funds. The Prosecutor agrees that these actions of the County Executive violated county ordinances.

The Prosecutor agrees that the actions of the County Executive's staff in directing the Finance department employees to process these ECAs again two weeks after the County Executive lost administrative control of COMBAT was in violation of county ordinance and his limited power after his veto was overridden. It is our understanding that the ECA form submitted for the County Executive's salary was signed, but not processed, while the other ECAs regarding COMBAT funds were processed. In January 2018, the Prosecutor submitted 7 ECA forms in January 2018 to make sure that these 7 employees' salaries were no longer being paid out of COMBAT funds. Most importantly, not one of these employees that the County Executive was ordering to be funded by COMBAT were to perform any duties on behalf of COMBAT Administration.

The Prosecutor agrees that the actions of the Director of Human Resources who reported to the County Executive were in violation of county ordinance when he transferred personnel costs to the COMBAT fund without documented approval from the Prosecutor. The Prosecutor further agrees that processing payroll/personnel costs does not fall within the duties of the Director of Human Resources. The Prosecutor commends the Jackson County Finance department employees whose job was to perform payroll functions in refusing to enter the employee changes requested from the County Executive which were in violation of the County ordinance. The Prosecutor commends the Finance department employees for contacting the Prosecutor and the County Executive's Administration and shedding light on this requested violation of the law.

5.2 The Prosecuting Attorney and COMBAT Administration must rely on the County Finance Department, reporting directly to the County Executive, regarding appropriate salary expenses to the COMBAT Fund. It should be noted that the Finance Department has sole access to all salary expenses and the allocation of funds that pay those salaries. The Prosecuting Attorney agrees that documentation should be retained to support all allocations made and to ensure that all salaries are an appropriate use of COMBAT funds.

**6. Vehicle Allowances**

6.1 The Prosecuting Attorney agrees that vehicle allowances paid from the COMBAT fund should be reviewed. That review requires the County Executive's Finance Department, who solely possesses that data, to assist with creating and maintaining a list of all county associates who are receiving such allowances paid from COMBAT funds. The Prosecutor agrees that there should be adequate support for any vehicle allowances and that all such associates must be performing duties relating to COMBAT activities. Further, the Prosecutor has reduced the reliance on this benefit during her oversight of COMBAT.



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Auditee Response - Prosecuting Attorney

Attachment #1

**From:** Scott J. Jacoby <[SJacoby@jacksongov.org](mailto:SJacoby@jacksongov.org)>  
**Sent:** Wednesday, January 10, 2018 11:50 AM  
**To:** Edwin Stoll <[Estoll@jacksongov.org](mailto:Estoll@jacksongov.org)>; Mark A. Trosen <[MTrosen@jacksongov.org](mailto:MTrosen@jacksongov.org)>; Dennis Dumovich <[DDumovich@jacksongov.org](mailto:DDumovich@jacksongov.org)>; Frank White <[FWhite@jacksongov.org](mailto:FWhite@jacksongov.org)>  
**Cc:** Garry J. Baker <[GJBaker@jacksongov.org](mailto:GJBaker@jacksongov.org)>; Theresa Galvin <[TGalvin@jacksongov.org](mailto:TGalvin@jacksongov.org)>; Gregory O. Grounds <[GGrounds@jacksongov.org](mailto:GGrounds@jacksongov.org)>; Scott Burnett JACKSON COUNTY <[Hburnett@jacksongov.org](mailto:Hburnett@jacksongov.org)>; Alfred Jordan <[AJordan2@jacksongov.org](mailto:AJordan2@jacksongov.org)>; Dennis Waits <[DWaits@jacksongov.org](mailto:DWaits@jacksongov.org)>; Crystal J. Williams <[Crystalwilliams@jacksongov.org](mailto:Crystalwilliams@jacksongov.org)>; Daniel T. Tarwater III <[Dtarwater@jacksongov.org](mailto:Dtarwater@jacksongov.org)>; Tony Miller <[TMiller@jacksongov.org](mailto:TMiller@jacksongov.org)>; Jean Peters Baker <[JPetersBaker@jacksongov.org](mailto:JPetersBaker@jacksongov.org)>; Dennis Dumovich <[DDumovich@jacksongov.org](mailto:DDumovich@jacksongov.org)>; Michael Sharp <[MSharp@jacksongov.org](mailto:MSharp@jacksongov.org)>; Crissy Wooderson <[CWooderson@jacksongov.org](mailto:CWooderson@jacksongov.org)>; Cheryl L. Colter <[CColter@jacksongov.org](mailto:CColter@jacksongov.org)>  
**Subject:** RE: Fund changes load

Ed -

Thank you for the email. However, I have voiced my concerns before and I will state them again. Associates should not have to work in a hostile environment with fear of disciplinary action taken upon them because they are unwilling to perform an unlawful act. The County Executive's Administration is instructing associates to process Employee Change Authorizations (ECAs) dated 12/29/2017. This action will result in at least 2 unlawful acts.

- 1) County Executive's Administration are paying associates with COMBAT funds without approval of the County Prosecutor. Ordinance 5061, finalized on 12/28/2017, clearly states administration of the COMBAT Tax and the COMBAT Commission and day-to-day supervision to the Prosecuting Attorney of Jackson County. Additionally, the County Prosecutor in her email dated 1/4/2018 clearly states all expenditures are to be approved by her and members of the County Executive's staff receiving allocations of COMBAT via salaries and benefits are to cease. County Executive's Administration is demanding County associates process, without proper approval, employee change authorizations which will result in improper and illegal payment to county associates by violating Ordinance 5061.
- 2) County Executive's Administration are paying associates that currently do not have positions at the County. The County Legislature adopted a budget for 2018 by ordinance that does not include positions or funding for associates included in the ECAs dated 12/29/2017. County Executive's Administration is demanding county associates to process and pay individuals that are not currently budgeted for in 2018. By doing so, we will violate the 2018 Approved Budget Ordinance which will result in the improper and illegal payment to individuals with use of taxpayer dollars.

Article XIII General Provisions, Section 17 of the County Charter states "In this charter the words "law" or "by law" mean the statutory laws of the State of Missouri or County Ordinance....". Additionally, Article II, Section 16, 5, Legislature shall "Make such rules and regulations as may be necessary or proper to establish and carry into effect the provisions of this charter and county ordinances and provide for the enforcement of the charter and county ordinances by appropriate penalties not exceeding for any one offense, a fine of one thousand dollars or imprisonment in the county detention center for not more than one year, or by both such fine and imprisonment."

As this reads, any violation of a County Ordinance would be considered unlawful. It is not acceptable in any environment to ask associates to perform an unlawful act whatsoever.



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Auditee Response - Prosecuting Attorney

The memo attached dated 1/5/2018 from County Counselor, Steve Nixon to County Executive, Frank White does not clearly state a position. In this memo, the County Counselor concludes the associates should take solace in knowing that on this particular date, 1/5/2018, he is in charge of prosecuting violations of county ordinances and he does not plan on doing so...today. Given the political environment and potential conflict of interest by the County Counselor's Office, this memo should be read for what it is....an opinion.

With regards to the memo, one would have to ask a simple question; Is the memo as written by County Counselor, Steve Nixon codified by County Ordinance which is the law of the County? Answer: No.

With regards to the legal opinion referenced within the memo, one would have to ask a simple question; Is the legal opinion by Todd Graves codified by County Ordinance which is the law of the County. Answer: No.

**Payroll Processing for Associates:**

**We will process 40 hours for the Impacted associates as normal with their Direct Deposit. These 40 hours represent pay from year 2017 and will be processed by Finance associates.**

**With regards to associates that are not approved, I will recommend the County Executive's Administration provide an individual to process these transactions. We will work with our Payroll vendor to get a log in and password. The remaining 40 hours will then be processed by this individual on Friday, 1/12/2018 between hours of 8:00 a.m. and 5:00 p.m. These checks will be a paper check and individuals should prepare accordingly.**

Regards, Scott Jacoby  
Deputy Director of Finance

**From:** Edwin Stoll  
**Sent:** Wednesday, January 10, 2018 9:58 AM  
**To:** Scott J. Jacoby <[ScJacob@jacksongov.org](mailto:ScJacob@jacksongov.org)>  
**Cc:** Mark A. Trosen <[MTrosen@jacksongov.org](mailto:MTrosen@jacksongov.org)>  
**Subject:** Fund changes load

Scott:

Attached is a spreadsheet that Mona created reflecting the ECA fund changes delivered to her by Mark Lang last week. Please cause those fund changes to be loaded this morning. Also attached is a copy of the Memorandum from the County Counselor to the County Executive dated January 5, 2018 that was previously delivered to you. Thanks.

Ed

V. Edwin Stoll  
Chief Administrative Officer  
Jackson County, Missouri  
415 E. 12th Street, Suite 200



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Appendix F  
Jackson County  
Community Backed Anti-Crime Tax (COMBAT) Fund  
Auditee Response - Prosecuting Attorney

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(816) 881-3064



Appendix F  
 Jackson County  
 Community Backed Anti-Crime Tax (COMBAT) Fund  
 Auditee Response - Prosecuting Attorney

Attachment #2

PP 1 2018 Fund Changes Pending

Dept.	New Dept.	Name	Pay Rate	Current Funding	%	Amount of Wages to Fund	New Funding %	Amount of Wages to Fund
1001	Same	White Jr., Frank	\$ 69.88	1001-001	100	\$145,350.40	1001-001 35	\$50,872.64
		FMV					1501-004 25	\$36,337.60
							1902-045 15.4	\$22,383.96
							2701-001 9.6	\$13,953.64
							4401-008 15	\$21,802.56
1001	Same	Trosen, Mark	\$ 51.47	1501-004	35	\$ 37,470.16	1404-001 29	\$31,046.70
				1601-003	15	\$ 16,058.64	1501-001 25.24	\$27,021.34
		\$7,200 Car		2701-001	50	\$ 53,528.80	1501-004 10	\$10,705.76
							1601-001 25.76	\$27,578.04
							2701-001 10	\$10,705.76
1001	Same	Burke, Ashley	\$ 22.84	1001-001	20	\$ 9,501.44	1501-004 20	\$ 9,501.44
				1001-002	20	\$ 9,501.44	1503-002 15	\$ 7,126.08
		\$1,200 Car		1501-004	20	\$ 9,501.44	1902-045 25	\$ 11,876.80
				2001-002	20	\$ 9,501.44	2001-002 20	\$ 9,501.44
				4401-008	20	\$ 9,501.44	4401-008 20	\$ 9,501.44
1001	Same	Clifford, Caleb	\$ 67.31	1001-001	18	\$ 25,200.86	1001-001 75	\$105,003.60
				1001-002	17	\$ 23,800.82	1220-001 25	\$ 35,001.20
		FMV		1221-001	5	\$ 7,000.24		
				1222-002	5	\$ 7,000.24		
				1501-004	40	\$ 56,001.92		
				2001-002	10	\$ 14,000.48		
				4401-008	5	\$ 7,000.24		
1001	Same	Hennosy, Miriam	\$ 31.25	1001-001	100	\$ 65,000.00	1001-001 30	\$ 19,500.00
		\$3,000 Car					1902-045 70	\$ 45,500.00
1001	Same	Hester, Marshanna	\$ 35.10	1001-001	25.4	\$ 18,544.03	1001-001 35	\$ 25,552.80
				1001-002	29	\$ 21,143.12	1501-004 40	\$ 29,203.20
				1222-002	9.68	\$ 7,067.17	1801-001 15	\$ 10,951.20
				1501-004	36	\$ 26,253.68	2701-001 10	\$ 7,300.80
1001	Same	Howard, Christine	\$ 19.43	1001-001	100	\$ 40,414.40	1001-001 30	\$ 12,124.32
		\$1,200 Car					1305-004 25	\$ 10,103.60
							1305-045 25	\$ 10,103.60
							1902-045 20	\$ 8,082.88
1001	Same	Master, Jamie	\$ 56.40	1001-002	22	\$ 25,785.18	1001-001 17.63	\$ 20,682.11
				1222-002	19.2	\$ 22,512.17	1001-002 2.37	\$ 2,780.29
		\$6,000 Car		2001-002	48.3	\$ 56,685.16	2001-002 30	\$ 35,193.60
				4401-008	10.5	\$ 12,329.49	4401-008 50	\$ 58,656.00
1001	Same	Panethiere, Gary	\$ 67.52	1001-001	44.8	\$ 62,945.93	1001-001 15	\$ 21,066.24
				1501-004	45	\$ 63,240.85	1501-004 50	\$ 70,220.80
		\$9,600 Car		1601-003	10.2	\$ 14,254.82	1601-003 10	\$ 14,044.16
							2701-001 25	\$ 35,110.40
1001	Same	Stoll, Edwin	\$ 67.31	1001-001	45.9	\$ 64,248.20	1001-001 18.49	\$ 25,886.89
				1801-001	6.41	\$ 8,974.31	1404-001 18.05	\$ 25,270.87
		\$5,200 Car		1902-045	47.7	\$ 66,782.29	1404-002 1.19	\$ 1,666.06
							1404-045 0.76	\$ 1,064.04
							1801-001 8.51	\$ 11,914.41
							1902-045 53	\$ 74,202.54
1001	Same	Strong, Kathryn	\$ 16.45	1001-001	100	\$ 34,216.00	1001-001 30	\$ 10,264.80
							1902-045 70	\$ 23,951.20
1101	Same	Laird, Brandon	\$ 28.60	5104-004	100	\$ 59,488.00	1101-001 15.83	\$ 9,416.95
							1101-002 2.93	\$ 1,743.00
							1101-003 3.52	\$ 2,093.98
							1101-004 50	\$ 29,744.00
							1101-045 27.72	\$ 16,490.07



Appendix F  
 Jackson County  
 Community Backed Anti-Crime Tax (COMBAT) Fund  
 Auditee Response - Prosecuting Attorney

PP 1 2018 Fund Changes Pending

Dept.	New Dept.	Name	Pay Rate	Current Funding	%	Amount of Wages to Fund	New Funding	%	Amount of Wages to Fund
1101	Same	Logan, Tamika	\$ 25.00	1101-001	68.2	\$ 35,479.60	1101-001	74.46	\$ 38,719.20
				1101-002	4.02	\$ 2,090.40	1403-001	25.54	\$ 13,280.80
				1101-003	3.09	\$ 1,606.80			
				1101-004	9.11	\$ 4,737.20			
				1101-045	8.81	\$ 4,581.20			
				1101-049	6.74	\$ 3,504.80			
1220	Same	Sweeney, Johnny	\$ 36.05	1220-001	20	\$ 14,996.80	1902-045	90	\$ 67,485.60
				1220-045	50	\$ 37,492.00	1403-049	10	\$ 7,498.40
		\$6,000 Car		1501-004	30	\$ 22,495.20			
1221	1001	Beavers, Lacl	\$ 20.92	1221-001	25	\$ 10,878.40	1502-001	10	\$ 4,351.36
				1501-004	25	\$ 10,878.40	1501-004	30	\$ 13,054.08
		\$3,600 Car		1601-003	50	\$ 21,756.80	2701-008	10	\$ 4,351.36
							4401-008	50	\$ 21,756.80
1221	1001	Jeffries, Angela	\$ 39.67	1221-001	50.5	\$ 41,628.11	1001-001	35	\$ 28,879.76
				1501-004	38.4	\$ 31,693.47	1202-001	20	\$ 16,502.72
		\$5,200 Car		1601-003	11.1	\$ 9,192.02	1220-001	9.16	\$ 7,558.25
							1220-045	4.58	\$ 3,779.12
							2701-001	21.26	\$ 17,542.39
							4401-008	10	\$ 8,251.36
1221	1001	Koenig, Mary	\$ 20.31	1221-001	25	\$ 10,561.20	1001-001	20	\$ 8,448.96
				1501-004	25	\$ 10,561.20	1202-001	25	\$ 10,561.20
				1601-003	50	\$ 21,122.40	4401-008	55	\$ 23,234.64
1221	1001	Pollard  McCambridge	\$ 25.87	1221-001	25	\$ 13,452.40	1001-001	25	\$ 13,452.40
				1501-004	25	\$ 13,452.40	1202-001	23.83	\$ 12,822.83
				1601-003	50	\$ 26,904.80	1202-003	12.13	\$ 6,527.10
							1202-004	14.04	\$ 7,554.87
							4401-008	25	\$ 13,452.40
1221	1001	Stead, Jeffrey	\$ 22.90	1221-001	25	\$ 11,908.00	1001-001	20	\$ 9,526.40
				1501-004	25	\$ 11,908.00	1501-004	40	\$ 19,052.80
		\$3,600 Car		1601-003	50	\$ 23,816.00	1601-003	40	\$ 19,052.80
1221	1001	Wilson, Briana	\$ 16.16	1221-001	55	\$ 18,487.04	1001-001	50	\$ 16,806.40
				1501-004	45	\$ 15,125.76	1202-001	10	\$ 3,361.28
		\$3,600 Car					1902-045	40	\$ 13,445.12