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CITIZENS SUMMARY

Findings in the audit of Cooper County Clerk

Background

The County Clerk is the chief fiscal and administrative officer of the county, whose duties include maintaining records of disbursements approved for payment by the county commission, issuing county licenses, and collecting various fees for remittance to the county treasury. The position also serves as the county's elections officer. Darryl Kempf served in this position from January 1987 until September 29, 2017, when he entered into a plea agreement with the Attorney General's Office, pleading guilty to a misdemeanor charge of theft/stealing, and resigned from office. Per the plea agreement, the County Clerk was sentenced to 6 months in the Cooper County jail; however, the sentence was suspended and he was placed on unsupervised probation for 2 years. As a condition of probation, he was required to pay restitution of \$4,843.20 to Cooper County and \$797.78 (unpaid penalty and interest) to the Missouri Department of Revenue.

During our regularly scheduled audit of Cooper County we were made aware of potential improprieties with a county vehicle lease and determined additional work was necessary to review transactions in the County Clerk's office. This report identifies serious concerns related to the vehicle lease along with other related issues. The audit of Cooper County is still in process and additional findings and recommendations regarding the County Clerk's office and other county officials will be included in a subsequent report.

Vehicle Lease and Purchase

The County Clerk leased a vehicle that was extravagant and unnecessary, and was routinely driven for personal use. He later terminated the lease early and personally purchased the vehicle, which he partially financed by misappropriating county monies totaling \$4,843.20. In addition, he unlawfully evaded paying sales tax of \$2,335.14 when the purchase occurred in August 2016. In June 2017, he subsequently paid the evaded sales tax, but did not pay any penalty and interest regarding the late payment. As a result of these actions, the County Clerk received significant benefits and monetary gain not provided to other county officials or employees. Further, this is the second time the County Clerk used his position to obtain a new vehicle by temporarily financing the vehicle with county monies, and later personally purchasing the vehicle at the purchase option price per the lease. These leases were not a prudent use of monies from the Election Services Fund (ESF), and were significantly more costly than other options.

Election Services Fund Transactions

The manner in which ESF monies have been utilized has not met the statutorily intended purpose. We reviewed the use of the ESF since its establishment in 2000 and determined ESF disbursements have primarily personally benefited the County Clerk rather than improving and enhancing the county's election functions.

The ESF has rarely been utilized for purposes clearly associated with elections, and in some years no disbursements were made from the fund. Approximately 94 percent of cumulative disbursements are associated with vehicles (leases, purchase, and repair) and transfers out to the county's

General Revenue Fund. Only 4 percent of the cumulative disbursements were directly associated with election activities and/or training, and these types of disbursements only occurred in 2 years.

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

*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.