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# CITIZENS SUMMARY

## Findings in the audit of the City of Miller Police Department Disbursements and Seized Property

### Background

The former Police Chief, Joshua Bruce, was employed by the City of Miller from July 5, 2011, until he was placed on administrative leave on March 29, 2017, and subsequently terminated on May 4, 2017, for preparing and approving false timesheets showing time worked by his brother when he was not on duty, failing to prepare fuel records, submitting unsupported mileage reimbursements, making unauthorized purchases on credit cards, and using city funds to purchase surplus property for personal use. On August 31, 2011, the city, at the request of the former Police Chief, hired his brother, Randall Bruce, as a Lieutenant. He was also terminated on May 4, 2017, due to false timesheets. Former Police Chief Bruce was charged with multiple criminal counts of receiving stolen property (felony and misdemeanor) in July and August 2017, and former Lieutenant Bruce was charged with a felony criminal count of receiving stolen property in August 2017. Both of these criminal cases are ongoing. The Missouri State Highway Patrol (MSHP) conducted an investigation, and the Prosecuting Attorneys in Lawrence and Christian County filed the related charges. The State Auditor's Office (SAO) was petitioned to audit the city and began an audit on March 1, 2018, at which time we were informed of the MSHP investigation and criminal charges.

### Improper Payroll Payments

The audit identified estimated improper payroll checks totaling \$24,623 issued to the former Lieutenant but negotiated by the former Police Chief during the period August 2014 through March 2017. The city's payroll records showed significant and unexplained increases in the amounts paid to and hours worked by the former Lieutenant. In addition, the city could not provide timesheets to support 12 payments made to the former Lieutenant totaling \$5,606, the former Police Chief falsely prepared 55 timesheets for his brother, and the former Police Chief improperly negotiated at least 64 of the total 67 payroll checks made payable to the former Lieutenant. The audit also identified \$1,758 in improper overtime payments to the former Police Chief related to highway safety grants. Former Police Chief Bruce and the former City Clerk also did not maintain and submit all required records for the highway safety grants and as a result, the city owes \$1,779 in grant funding back to the Missouri Department of Transportation's (MoDOT) Highway Safety and Traffic Division, and timesheets maintained by the city and hours claimed per grant documents showed several discrepancies.

### Mileage Reimbursements, Fuel Purchases, and City Vehicle Use

Unsupported and excessive mileage reimbursements totaling \$12,795 were paid to the former Police Chief; at least \$3,598 of fuel purchases made using city's credit cards assigned to the former Police Chief are questionable; and the city did not report the value of personal (commuting) mileage to the Internal Revenue Service (IRS) as required.

### Credit Card Purchases and Missing Assets

The former Police Chief used city credit cards to purchase personal items/services (\$1,859) and numerous meals that were likely not related to city business (\$362). The Board and former City Clerk did not perform adequate reviews of credit card statements, invoices, and other supporting documentation, and as a result, questionable purchases made by the former Police Chief went undetected for several years. The city lacks adequate

controls and procedures over police department property items, and does not properly track receipt and use of state and federal surplus property items. Several city assets, including state and federal surplus property items, are missing.

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**Donations and Seized Property** Cash donations received by the former Police Chief and seized property are missing, and controls and procedures over donations and seized property need improvement. Cash donations collected by the former Police Chief totaling \$1,445 are missing. Various seized property items, including firearms and cash, are missing and the MSHP located some of these items at the former Police Chief's residence after his termination.

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.