



Scott Fitzpatrick

Missouri State Auditor

Twenty-Fourth Judicial Circuit
City of Desloge
Municipal Division

Report No. 2024-037

May 2024

auditor.mo.gov



Findings in the audit of the Twenty-Fourth Judicial Circuit, City of Desloge Municipal Division

Missing Money

The former Court Administrator failed to deposit at least \$3,886 that was receipted and/or recorded from July 1, 2020, to October 11, 2022, and the money is missing. The former Court Administrator did not deposit at least \$1,568 in cash recorded on manual receipt slips from June 2021 through October 2022. Additionally, she did not deposit fines and costs, totaling \$1,349.50 in cash, collected from 10 defendants, and failed to deposit \$508.50 in cash collected from 5 defendants whose transactions were entered into the court system as non-monetary judicial order transactions. The former Court Administrator improperly recorded and did not deposit \$413 in cash court payments placed in the city's after hours drop box, and altered the fines and costs due written on at least 4 defendant case records to conceal money received and not deposited, which resulted in an additional \$47 missing.

The former Court Administrator also made 38 unsupported adjustments resulting in reductions in fines and costs due totaling \$4,482. These transactions were for defendants that allegedly performed community service, but the court did not retain/maintain time records or other documentation to support the community service. Based on the methods used to conceal the other missing money, it is possible money was collected related to these unsupported adjustments and is also missing.

Accounting Controls and Procedures

The municipal division has not adequately segregated accounting and recordkeeping duties, and neither the Municipal Judge nor other court personnel perform supervisory or independent reviews of municipal division accounting and court records. Neither the former nor the current Court Administrator account for the numerical sequence of manual or system receipt slip numbers to ensure money received has been properly recorded in the court system and deposited. The court does not issue a receipt slip or otherwise document the drop box receipts transmitted by city personnel. The current and former Court Administrators process(ed) non-monetary fee adjustments without an independent or supervisory review. During her time in the position, the former Court Administrator entered 54 judicial orders to waive approximately \$11,778 in fines and court costs. She also waived approximately \$20,614 in fines and court costs with community service orders. These orders were often not reviewed by the municipal judge.

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.

Twenty-Fourth Judicial Circuit

City of Desloge Municipal Division

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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Presiding Judge
Twenty-Fourth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Desloge, Missouri

We have audited certain operations of the City of Desloge Municipal Division of the Twenty-Fourth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the fiscal year ended June 30, 2023. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions as it relates to any missing or misappropriated money.
2. Evaluate the municipal division's and city's compliance with certain legal provisions as it relates to any missing or misappropriated money.
3. Evaluate the municipal division's compliance with certain court rules as it relates to any missing or misappropriated money.
4. Determine the extent of money missing and/or misappropriated from the court, if any.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. 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 violations of applicable contract, grant agreement, 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 those provisions.

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 the evidence obtained provides such a basis.

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

For the areas audited, we identified (1) significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) no significant noncompliance with court rules, and (4) missing money totaling at least \$3,886. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Desloge Municipal Division of the Twenty-Fourth Judicial Circuit.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive style with a large initial "S" and "F".

Scott Fitzpatrick
State Auditor

Twenty-Fourth Judicial Circuit

City of Desloge Municipal Division

Management Advisory Report - State Auditor's Finding

1. Missing Money

At least \$3,886 was receipted and/or recorded from July 1, 2020, to October 11, 2022, but not deposited and is missing. Additionally, the former Court Administrator made 38 unsupported adjustments resulting in reductions in fines and costs due totaling \$4,482. Based on the methods used to conceal the other missing money, it is possible money was collected related to these unsupported adjustments and is also missing. We also identified discrepancies between recorded judicial orders, community service records, and court system records.

The municipal court uses the State of Missouri online court system, Show-Me Courts (court system), to record charge information, judgments, fine and cost amounts, and payments, and to issue receipt slips. The court began implementing the system in 2019 and completed the transition in 2023. Prior to that time, the court used a legacy system. The court also maintained a manual receipt slip book to use when the court system was unavailable, which was rare. All manual receipt slips were to be entered into the court system as soon as it was available. It is unclear if court personnel issued manual receipt slips at other times. Personnel reconciled system receipt information to receipts on hand prior to making deposits and used system receipt information to determine the deposit amounts. If a receipt was not entered into the system, court personnel would not detect a missing cash/check receipt during the reconciliation process.

Heather Steinmetz served as the Court Administrator from July 16, 2020, until she was terminated on October 11, 2022. She was often the only court employee. In October 2022, city employees discovered a manual receipt slip book, and knowing it should only be used in rare instances, compared it to court system records. They identified receipt slips that were not recorded in the court system and notified the City of Desloge Police Department. On October 11, 2022, the State Auditor's Office (SAO) received a complaint through its Whistleblower Hotline alleging fraudulent activity by the former Court Administrator. The SAO conducted an initial review of these matters under Section 29.221, RSMo. After completion of a review of documentation and communications provided, the SAO determined further investigation was warranted and began an audit. Court Administrator Heather Steinmetz is referred to throughout the remainder of this report as the former Court Administrator. Jessica Talley began as a part-time court clerk in August 2022 and was hired as the full time Court Administrator in October 2022.

The scope of our audit included, but was not necessarily limited to, the fiscal year ended June 30, 2023. After identification of missing money during the fiscal years of 2020 through 2022, we applied limited procedures to receipts for the period July 1, 2020, through June 30, 2022, for the purpose of identifying and quantifying any additional missing money.



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Management Advisory Report - State Auditor's Findings

On November 27, 2023, the SAO issued a subpoena to Heather Steinmetz to compel her testimony related to the findings included in this report. However, her attorney indicated, if interviewed, she would plead her right to remain silent under the 5th Amendment to the United States Constitution,¹ so we did not interview her. A copy of her attorney's letter is at Appendix A.

Manual receipt slips

The former Court Administrator did not deposit at least \$1,568 in cash recorded on manual receipt slips from June 2021 through October 2022. During that period, the former Court Administrator issued 27 manual receipt slips. We compared these receipt slips to system reports and noted the former Court Administrator recorded 8 payments, totaling \$1,568, on manual receipt slips but did not record some or all of the receipted amounts in the court system. The manual receipts slips indicated 6 of the payments were cash and the other 2 receipt slips did not include the method of payment. Because the amounts were not recorded in the court system the receipts were not deposited.

The following table provides a summary of the amounts recorded on manual receipt slips that were not subsequently entered into the court system and were not deposited.

Date	Receipt Slip Number (1)	Manual Receipt Slip Amount	Amount Recorded In System	Undeposited Amount
6/15/2021	681296	\$ 100.00	\$ 0.00	\$ 100.00
6/15/2021	681299	100.00	0.00	100.00
4/12/2022	393601	100.00	0.00	100.00
4/12/2022	393602	100.00	0.00	100.00
4/12/2022	393604	383.50	183.50	200.00
4/26/2022	393609	50.00	0.00	50.00
6/12/2022	393617	100.00	50.00	50.00
No date	393621	868.00	0.00	868.00
Total		\$ 1,801.50	\$ 233.50	\$ 1,568.00

(1) The receipt slips were from different receipt slip books with different receipt number sequences.

Non-monetary transactions

The former Court Administrator did not deposit fines and costs, totaling \$1,349.50 in cash, collected from 10 defendants. Instead, the related cases showed non-monetary community service² orders in the system in lieu of these fines and costs. She also did not deposit \$508.50 in cash collected from

¹ Pleading the 5th amendment means that the person chooses not to answer a question(s) during testimony on the basis that the person might incriminate himself/herself.

² In some cases, the Municipal Judge allows defendants to serve community service in lieu of payment of fines and costs. The court required defendants to provide proof of the completion of their service before the fines and costs could be adjusted in the system.



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5 defendants whose transactions were entered into the court system as non-monetary judicial order transactions. Non-monetary transactions, including judicial and community service orders, are transactions for which no money is received; however, a credit is applied to the account balance or the amount due is changed. These entries reduced the amount due from defendants in the system, and were not reflected in the amounts to be deposited.

The Municipal Judge indicated that he did not authorize any of the judicial orders and the current Court Administrator determined that the defendants paid the fines instead of performing the community service indicated in the system. We reviewed all 161 community service transactions and 54 judicial orders entered by the former Court Administrator during the period of July 1, 2020, through October 11, 2022, to determine if documentation to support the non-monetary transactions existed and if the municipal judge approved the transaction.

Five of the missing receipts labeled as community service were collected through the city after-hours drop box and the cash receipt amount was included on a payment log. Additionally, no judicial orders or support for community service performed were included in the defendant files. For example, one defendant's payment history showed she made a cash payment of approximately \$100 within the first week of every month from July 2020 through October 2021 for multiple cases. In November 2021, the defendant's name is recorded as making a \$100 payment on the drop box payment log. Instead of showing this payment in the system, on November 10, 2021, a community service order for a negative \$121 was recorded to reduce the defendant's outstanding balance by \$121.

Of the non-monetary transactions reviewed, we noted an additional 38 unsupported non-monetary community service transactions, totaling \$4,482, in the system that may represent additional missing money. These transactions were for defendants that allegedly performed community service, but the court did not retain/maintain time records or other documentation to support the community service. These transactions spanned the entire time the former Court Administrator was employed. We attempted to contact the defendants to determine if they performed community service, but none responded to our inquiries. Given that the former Court Administrator did not deposit other money collected and recorded as non-monetary community service transactions, it is possible some or all of the funds related to these 38 non-monetary transactions are also missing.

Appendix B shows judicial orders and community service orders with related missing money.



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Undeposited drop box receipts

From May 2021 to October 2022, the former Court Administrator improperly recorded and did not deposit \$413 in cash court payments placed in the city's after hours drop box.

The city maintains a drop box where citizens can place water, court, and other city payments after hours. Each morning, 2 city employees log the payments, then transmit the court payments to the Court Administrator for processing. We compared the drop box payment log to the court system to determine if all drop box payments were properly recorded, and we identified 8 payments that were not credited, or only partially credited, to the defendants' cases. As noted previously, if payments are not recorded in the court system they are not included in the total amount to be deposited.

The following table provides a summary of the drop box cash payments that were not properly recorded into the court system or deposited.

Date	Receipt Number (1)	Amount on Drop Box Payment Log	Amount Received	Amount Not Recorded or Deposited
05/17/2021	382098	\$ 100.00	\$ 54.50	\$ 45.50
08/23/2021	None	20.00	0.00	20.00
11/17/2021	249Z3189	91.00	33.50	57.50
02/17/2022	None	100.00	0.00	100.00
07/08/2022	None	60.00	0.00	60.00
09/06/2022	None	20.00	0.00	20.00
09/06/2022	None	60.00	0.00	60.00
10/04/2022	None	50.00	0.00	50.00
		\$ 501.00	\$ 88.00	\$ 413.00

(1) Receipt number sequences differ because one receipt was for an older case processed through the legacy system and one was processed in the current court system. Payments without receipt numbers were not recorded in either system.

Altered records

The former Court Administrator altered the fines and costs due written on at least 4 defendant case records to conceal money received and not deposited. We compared a system receipt report to physical defendant case records completed by the municipal judge and noted alterations in the physical defendant files, resulting in an additional \$47 missing. The former Court Administrator entered the altered amounts as the amounts due and paid in the court system and only deposited these amounts, despite collecting the original amount due. The Municipal Judge confirmed he did not authorize anyone to change the amounts written on the case records.



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In a December 2021 case, a defendant was fined \$191.50 plus court costs of \$33.50³ for a total due of \$225. The judge wrote this amount on the defendant's case record in blue ink,⁴ as shown below. The former Court Administrator used a red ink pen to write \$166.50 over the judge's writing. She recorded the fine due in the court system as \$166.50 plus court costs of \$33.50 for a total due of \$200.00. The former Court Administrator received \$200 in the court system and did not deposit the additional \$25 in cash likely collected.

Judgment/Sentence: \$ 191.50 fine, plus \$ cc costs, plus fees, miscellaneous charges, surcharges including recoupment fee, jail board and/or restitution. Defendant placed on probation pursuant to payment agreement probation order. Defendant to pay \$ 100 per month, to be paid on the 17 of each month. Further ordered and adjudged:

() Defendant shall serve _____ days in jail (SES all jail time) (SES _____ days of jail sentence and Defendant shall serve _____ days of jail sentence) (on weekends).

() Defendant placed on probation for _____ years pursuant to probation order, with special conditions on probation order including: (MOP) (SATOP) (DIP) (Anger Management) (DAEP) () program to be completed within (60) () days hereof and defendant to attend and complete any other recommended treatment;

() No contact with the victim, witnesses or their families at any location;

() Pay restitution of \$ _____ per terms set forth on payment agreement probation order.

() Other: _____

Full payment of \$ 200.00 received. Receipt # 3325

Continuances: _____

Cause (dismissed) (nolle prosequi) by city attorney.

In the second case, the judge wrote \$188.50 plus "cc" (\$33.50) on the defendant's case record. As shown below, the fine was changed to \$166.50. The file was marked paid in full with a payment of \$200.00 (\$166.50 plus \$33.50). The remaining \$22 in cash likely collected was not deposited.

³ Standard court costs total \$33.50. See Organization and Statistical Information section for a detailed listing of the costs included in the total. The Judge often wrote "cc" or "costs" on the defendant files to represent the assessment of the \$33.50 in court costs.

⁴ The Municipal Judge indicated he only uses blue ink and the color of ink on the original files reflect this despite the images appearing to be black ink.



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JUL 17 2022

Defendant pleads guilty (in open court) (in writing). Allocation granted.

Judgement/Sentence: \$ 100.50 fine, plus \$ CC costs, plus fees, miscellaneous charges, surcharges including recoupment fee, jail board and/or restitution. Defendant placed on probation pursuant to payment agreement probation order. Defendant to pay \$ _____ per month, to be paid on the _____ of each month. Further ordered and adjudged:

() Defendant shall serve _____ days in jail (SES all jail time) (SES _____ days of jail sentence and Defendant shall serve _____ days of jail sentence) (on weekends).

() Defendant placed on probation for _____ years pursuant to probation order, with special conditions on probation order including: (MOP) (SATOP) (DIP) (Anger Management) (DAEP) (_____) program to be completed within (60) (_____) days hereof and defendant to attend and complete any other recommended treatment;

() No contact with the victim, witnesses or their families at any location;

() Pay restitution of \$ _____ per terms set forth on payment agreement probation order.

() Other: _____

Full payment of \$ 300.00 received. Receipt # 84922705

Continuances: _____

Cause (dismissed) (nolle prosequi) by city attorney.

In another case, shown below, the fine listed on the case record is \$150.00 plus "cc" (\$33.50). This appears to be written by the former Court Administrator because the defendant signed a plea agreement, and the judge ordered a fine of \$350.00 plus court costs in the agreement. See the agreement on the next page. The former Court Administrator also issued a manual receipt slip for the full \$383.50 collected. The difference of \$200 is included in the missing money amount shown earlier in the manual receipt slips section.

MAR 2 2022

Defendant pleads guilty (in open court) (in writing). Allocation granted.

Defendant pleads not guilty. Cause set for trial 4-12-22.

APR 12 2022

Trial. City by city attorney. Defendant in person (pro se and knowingly, voluntarily and intelligently waives counsel in writing) (with counsel). Trial conducted in accordance with Rule 37. Defendant found (not guilty and discharged) (guilty, allocation granted and rights related to trial de novo fully explained).

Judgement/Sentence: \$ 150 fine, plus \$ CC costs, plus fees, miscellaneous charges, surcharges including recoupment fee, jail board and/or restitution. Defendant placed on probation pursuant to payment agreement probation order. Defendant to pay \$ _____ per month, to be paid on the _____ of each month. Further ordered and adjudged:

() Defendant shall serve _____ days in jail (SES all jail time) (SES _____ days of jail sentence and Defendant shall serve _____ days of jail sentence) (on weekends).

() Defendant placed on probation for _____ years pursuant to probation order, with special conditions on probation order including: (MOP) (SATOP) (DIP) (Anger Management) (DAEP) (_____) program to be completed within (60) (_____) days hereof and defendant to attend and complete any other recommended treatment;

() No contact with the victim, witnesses or their families at any location;

() Pay restitution of \$ _____ per terms set forth on payment agreement probation order.

() Other: _____

Full payment of \$ 153.50 received. Receipt # 3877


Continuances: _____

Cause (dismissed) (nolle prosequi) by city attorney.

NOTE: ABOVE DOCKETT ENTRIES ARE OFFICIAL COURT ORDERS, HOWEVER IF SEPARATE DOCUMENTS ARE USED, ANY INCONSISTENCIES ARE CONTROLLED BY SAID SEPARATE DOCUMENTS (i.e. PLEA FORM, PROBATION ORDER OR PAYMENT PROBATION ORDER, ETC.)



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 Management Advisory Report - State Auditor's Findings

 IN THE 24TH JUDICIAL CIRCUIT, ST. FRANCOIS COUNTY, MISSOURI DESLOGE MUNICIPAL DIVISION	
Judge or Division: SETH A PEGRAM	Case Number: 170993592 Court ORI Number: MO094081J Offense Cycle No. (OCN): 77345571
DESLOGE vs.	
Defendant's Name/Address: <div style="background-color: black; width: 100px; height: 20px;"></div>	
Charge Code/Description ORD570.0-032Y20212303.0 Shoplifting	Offense Date 13-FEB-2022
(Date File Stamp) \$350.00 fine + costs	
Plea of Guilty & Waiver of Counsel	

In the final case, shown below, it appears the former Court Administrator wrote over the judge's usual fine amount for traffic offenses, which was \$191.50. She changed the 1 to a dollar sign and also wrote over the first "2" in \$225 on the full payment line to make it \$125. The former Court Administrator received \$125 in cash in the court system. The other \$100 was written off with a judicial order and is included in the missing judicial order amount discussed earlier.

DEC 14 2017

Judgement/Sentence: \$~~191.50~~^{91.50} fine, plus \$ ~~CC~~ costs, plus fees, miscellaneous charges, surcharges including recoupment fee, jail board and/or restitution. Defendant placed on probation pursuant to payment agreement probation order. Defendant to pay \$ ~~100~~ per month, to be paid on the ~~17~~ of each month. Further ordered and adjudged:

Defendant shall serve _____ days in jail (SES all jail time) (SES _____ days of jail sentence and Defendant shall serve _____ days of jail sentence) (on weekends).

Defendant placed on probation for 2 years pursuant to probation order, with special conditions on probation order including: (MOP) (SATOP) (DIP) (Anger Management) (DAEP) _____ program to be completed within (60) (____) days hereof and defendant to attend and complete any other recommended treatment;

No contact with the victim, witnesses or their families at any location;

Pay restitution of \$ _____ per terms set forth on payment agreement probation order.

Other: _____

Full payment of \$ ~~191.50~~^{125.00} received. Receipt # 337

Continuances: _____

____ Cause (dismissed) (nolle prosequi) by city attorney.

NOTE: ABOVE DOCKETT ENTRIES ARE OFFICIAL COURT ORDERS, HOWEVER IF SEPARATE DOCUMENTS ARE USED, ANY INCONSISTENCIES ARE CONTROLLED BY SAID SEPARATE DOCUMENTS (i.e. PLEA FORM, PROBATION ORDER OR PAYMENT PROBATION ORDER, ETC.)

Conclusion

The lack of segregation of duties and supervisory or independent oversight of the former Court Administrator's work, as well as poor receipting procedures, as noted in Management Advisory Report (MAR) finding number 2, contributed to an environment that allowed money to go missing and not be detected timely.



Recommendation

The City of Desloge Municipal Division continue to work with law enforcement officials regarding prosecution of the missing money and take the necessary actions to seek restitution for amounts missing.

Auditee's Response

We will continue to work with law enforcement officials regarding prosecution and take necessary actions to seek restitution.

2. Accounting Controls and Procedures

Accounting controls and procedures need significant improvement. During the fiscal year ended June 30, 2023, the municipal division collected approximately \$175,000 in fines, court costs, and bonds.

2.1 Segregation of duties

The municipal division has not adequately segregated accounting and recordkeeping duties, and neither the Municipal Judge nor other court personnel perform supervisory or independent reviews of municipal division accounting and court records.

The Court Administrator is solely responsible for collecting receipts, recording court receipts and case activity to the court system, preparing disbursements, and preparing monthly financial reports for court activities. Court personnel indicated duties were more segregated before the pandemic started in 2020; however, an employee quit during the pandemic and the Municipal Judge indicated it is difficult to hire new employees.

Proper segregation of duties and/or timely supervisory or independent reviews helps ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing money. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and court records are essential.

2.2 Numerical sequence of receipt slips

Neither the former nor the current Court Administrator account for the numerical sequence of manual or system receipt slip numbers to ensure money received has been properly recorded in the court system and deposited. This allowed manual receipt slips to be issued, but not entered into the court system. The Court Administrator indicated she was unaware of the need to account for the numerical sequence of receipt slips.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of money could occur and go undetected.

2.3 Receipting, recording, and depositing

The court does not issue a receipt slip or otherwise document the drop box receipts transmitted by city personnel. As noted in MAR finding number 1, citizens can pay bills and fines through the city drop box after business hours and 2 city employees record the payments on a payment log. Court payments are forwarded to the Court Administrator each morning, but court personnel



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do not issue receipt slips to city personnel or otherwise document the transmittals. As a result, there is nothing to show that all court drop box receipts were transmitted to the court. The municipal judge indicated the court used to have 2 clerks and both were required to be present when receiving monies from the drop box. However, when only 1 clerk was employed, no compensating controls were implemented to ensure the receipts stayed secure.

2.4 Fee adjustments

The current and former Court Administrators process(ed) non-monetary fee adjustments without an independent or supervisory review. Fee adjustments include the reduction or non-assessment of fines and court costs due to judicial order or community service time served by the defendant as discussed in MAR finding number 1.

During the time that the former Court Administrator was employed, she entered 54 judicial orders to waive approximately \$11,778 in fines and court costs. She also waived approximately \$20,614 in fines and court costs with community service orders. These orders were often not reviewed by the municipal judge.

Proper review would have helped ensure transactions were accounted for properly and assets were adequately safeguarded. An independent and/or supervisory review and approval of fee adjustments and court authorization is necessary to help ensure such transactions are appropriate and reduce the risk of loss, theft, or misuse of funds.

Recommendations

The City of Desloge Municipal Division:

- 2.1 Segregate accounting duties or ensure documented independent or supervisory reviews of municipal division accounting and court records are periodically performed.
- 2.2 Account for the numerical sequence of receipt slip numbers.
- 2.3 Issue receipt slips for, or otherwise document, transmitted receipts from the city.
- 2.4 Require an independent and/or supervisory review and approval of all fee adjustments made in the court system.

Auditee's Response

- 2.1 *We will follow the recommendation of the State Auditor's Office and will be requesting a supervisory review of detailed accounting and court records from a neighboring municipal court administrator periodically.*



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- 2.2 *We will no longer be using manual receipt books for the municipal court. A receipt listing report is required daily with the deposit to ensure the numerical sequence of receipt slips.*
- 2.3 *The municipal court clerk signs off on the payment log on money received for court in the overnight depository and is required to supply the city an electronic receipt for each payment the court receives.*
- 2.4 *The City of Desloge has an agreement with the municipal judge to review all monthly fee adjustments.*

Twenty-Fourth Judicial Circuit

City of Desloge Municipal Division

Organization and Statistical Information

The City of Desloge Municipal Division is in the Twenty-Fourth Judicial Circuit, which consists of Madison, Ste. Genevieve, St. Francois, and Washington counties. The Honorable Wendy Wexler Horn serves as Presiding Judge. The City of Desloge's population was 4,823 in 2020, according to the U.S. Census Bureau.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division uses OSCA's statewide automated case management system known as Show-Me Courts.

Personnel

At June 30, 2023, the municipal division employees were as follows:

Title	Name
Municipal Judge	Seth Pegram
Court Administrator (1)	Jessica Talley

(1) Heather Steinmetz was the Court Administrator from July 16, 2020, through October 11, 2022. Jessica Talley was hired as a part-time Court Clerk in August 2022 and hired as full-time Court Administrator in October 2022.

Financial and Caseload Information

	Year Ended June 30, 2023
Receipts	\$ 175,332
Number of cases filed	693

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 11.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	2.00
Judicial Education	1.00
Court Automation	7.00
Inmate Security (Biometric Verification)	2.00

Twenty-Fourth Judicial Circuit

City of Desloge Municipal Division

Supporting Documentation of Misappropriated and Missing Money

The following appendixes provide supporting documentation for the misappropriated and missing money discussed in MAR finding number 1 and are summarized in the following table:

Appendix	Type of Supporting Documentation
A	State Auditor Subpoena - Heather Steinmetz
B	Attorney Response to Subpoena
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Appendix A
Twenty-Fourth Judicial Circuit
City of Desloge Municipal Division
State Auditor Subpoena - Heather Steinmetz



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: Heather Steinmetz
56 Wood Ln
Park Hills, MO 63601

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representative(s), at Desloge City Hall 300 N Lincoln Street Desloge, MO 63601, at 10:30am on Wednesday, December 13, 2023, for purposes of providing testimony regarding the City of Desloge Municipal Court.

Physical access to the records described in Exhibit A may be granted for State Auditor staff on or before the appearance date listed above. Alternatively, records may be shipped to the Missouri State Auditor to the attention of Misty Bowen at 301 W. High St., Room 880, Jefferson City, MO 65102, to be received no later than the appearance date listed above.

ISSUED this November 27, 2023, pursuant to Section 29.235.4(1), RSMo.

A handwritten signature in black ink that reads "Scott Fitzpatrick".

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by email on this 27th day of November, 2023.



Appendix A
Twenty-Fourth Judicial Circuit
City of Desloge Municipal Division
State Auditor Subpoena - Heather Steinmetz

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

1. Documentation for any expenditures related to the City of Desloge Circuit Court.
2. Any user guides, documented procedures, or policy guidelines related to the City of Desloge Circuit Court.
3. Any documentation related to any professional or other organization you worked with in your capacity as the City Administrator for the City of Desloge Circuit Court.

Pursuant to agreement with counsel for Ms. Heather Steinmetz, our office reserves the right to request production of all documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the City of Desloge Circuit Court for the time period of July 2020 through October 2022.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix B
Twenty-Fourth Judicial Circuit
City of Desloge Municipal Division
Attorney Response to Subpoena

H | W

HENDERSON & WATERKOTTE

December 18, 2023

Chris Vetter, CPA, CFE, CGAP
Audit Manager
Missouri State Auditor's Office
Sent via email to: chris.vetter@auditor.mo.gov

RE: Heather Steinmetz

Dear Mr. Vetter:

This letter is regarding your request to interview Heather Steinmetz. Please be advised that she would plead her right to remain silent under the 5th Amendment to the U.S. Constitution. Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mick Henderson", written over a horizontal line.

Mick Henderson

STLCRIMINALDEFENSE.COM

A. MICK HENDERSON: HENDERSON@HWLAWPC.COM | STEVEN A. WATERKOTTE: WATERKOTTE@HWLAWPC.COM
6 CARDINAL WAY, SUITE 900 | SAINT LOUIS, MISSOURI 63102 | 314.645.4400



Appendix C
 Twenty-Fourth Judicial Circuit
 City of Desloge Municipal Division
 Non-Monetary Transactions

Judicial Orders

Judicial Order Date	Judicial Order Receipt Number	Total Assessed Fines & Court Costs	Monetary Amounts Collected	Amount Entered as Judicial Order and Missing
10/14/2021	249Z3017	\$ 225.00	\$ 100.00	\$ 125.00
10/27/2021	249Z3096	177.50 (1)	77.50	100.00
11/19/2021	249Z3206	83.50	0.00	83.50
12/16/2021	249Z3308	225.00	125.00	100.00
06/10/2022	249Z4160	533.50	300.00	100.00 (2)
Total		\$1,244.50	\$ 602.50	\$ 508.50

- (1) The \$177.50 is the amount of fines and costs recorded in the court system. The defendant's file indicates fines and costs were assessed at \$227.50 (a difference of \$50). It is unclear why the system amount differs from the file amount and this may represent additional missing money. This is not included in total missing because we could not determine which assessed amount was accurate.
- (2) Court records indicate there is a remaining balance of \$133.50 due on this case.

Community Service

Community Service Entry Date	Community Service Receipt Number	Total Assessed Fine & Court Costs	Monetary Amounts Collected	Amount Entered as Community Service and Missing
08/18/2021	249Z2790	\$ 536.50	\$ 476.00	\$ 60.50
11/10/2021	249Z3139	386.50	265.50	121.00 (1)
03/15/2022	249Z3736	250.00	0.00	250.00 (2)
05/18/2022	249Z4084	286.50	236.50	50.00 (1)
06/21/2022	249Z4198	333.50	233.50	100.00 (1)
07/11/2022	249Z4296	79.50	33.50	46.00
07/11/2022	249Z4297	529.50	47.50	482.00
08/19/2022	249Z4502	214.00	190.00	20.00 (3)
08/19/2022	249Z4503	386.50	362.50	20.00 (3)
08/19/2022	249Z4510	383.50	183.50	200.00
Total		\$ 3,386.00	\$ 2,028.50	\$ 1,349.50

- (1) The defendant made at least a portion of the payment through the city drop box.
- (2) The defendant's attorney indicated he did not believe his client served community service.
- (3) The drop box payment log shows the defendant paid \$20 in cash. However, the former Court Administrator entered the transactions as a \$24 non-monetary community service transaction to appear as 2 hours of service at \$12 per hour. Only the amount paid through the drop box is considered missing.