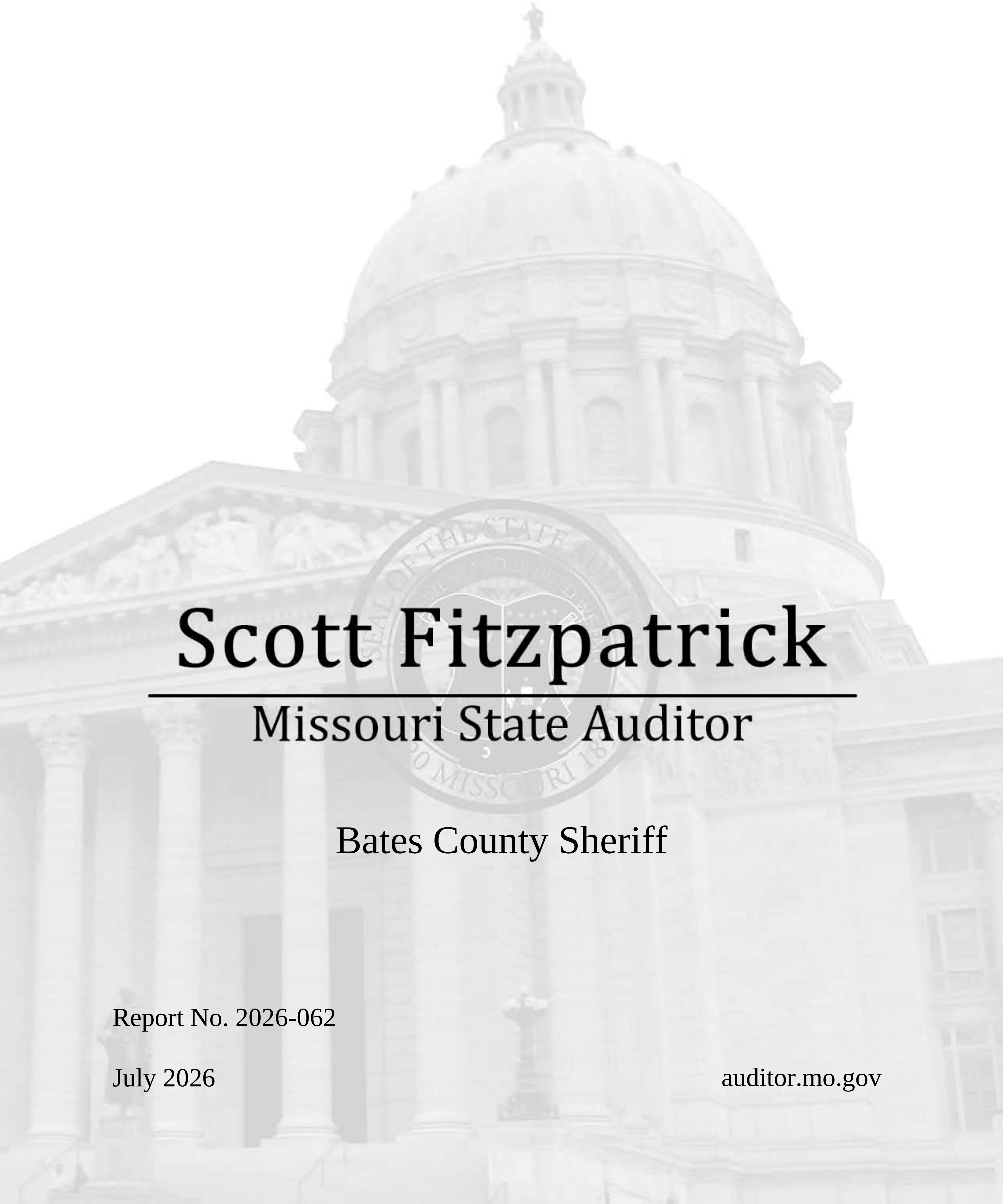

Scott Fitzpatrick

Missouri State Auditor

Bates County Sheriff

Report No. 2026-062

July 2026

auditor.mo.gov

Findings in the audit of the Bates County Sheriff

Wasted Public Resources	From at least July 2021 through June 2024, the Sheriff wasted public resources totaling at least $178,382, by maintaining a Mounted Patrol (MP) and funding a Sheriff's Posse (Posse) that had little or no apparent law enforcement purpose, funding rodeo and community events, donating to various private organizations, holding parties, and using county assets for personal use. The Sheriff attributed many of the purchases to community policing efforts but did not have documentation to support how the purchases achieved the goals of a community policing program or that his office had such a program with a stated goal, mission, or policies and procedures.
Cash Reserves and Restricted Funds	The Law Enforcement Fund cash balance generally increased beginning in 2020 and, as of December 31, 2023, totaled $2.6 million and the County Commission did not have a plan for use of this significant balance or to reduce the Law Enforcement Sales Tax rate. Accumulating an excessive cash balance without documented, long-term plans for use of this money puts an unnecessary burden on taxpayers and contributed to the Sheriff's ability to spend taxpayer money inappropriately. The county did not properly track the balance of sales taxes restricted for law enforcement services and improperly uses restricted Inmate Security Fund money to purchase items.
Payroll Controls and Procedures	The Sheriff's payment of matching contributions for employee retirement resulted in lost county funds. Beginning in 2019, the Sheriff elected to pay 3% of the 6% required employee contribution, effectively matching each employee's contribution. The Sheriff does not have the statutory authority to make such contributions on behalf of his employees and because the election was not properly identified, the CERF refunded employees for amounts paid with county funds rather than the county when they left county employment. Refunds totaling $263,547 were issued to unvested Sheriff's office employees from 2019 to 2025. The county should have received $131,773 of this. The Sheriff's office did not calculate compensatory time for non-law enforcement employees in accordance with the Fair Labor Standards Act (FLSA) and, as a result, the county underpaid 43 current and former employees overtime compensation totaling $37,927 as of June 30, 2024. The Sheriff advanced 80 hours compensatory time to each of his employees to create a payroll hold back period, but did not ensure the employees earned sufficient compensatory time to repay the advance. As of June 30, 2024, 20 employees had negative compensatory leave balances totaling $35,708. An additional 8 employees left county employment with negative compensatory balances totaling $6,783, which is still owed to the county. The County Clerk's office did not maintain centralized leave records including sick, vacation, and compensatory time for Sheriff's office employees.
Concealed Carry Weapon Permit Fees	The Sheriff improperly waived the concealed carry weapon permit fees for some applicants. From October 10, 2023, to December 31, 2023, he reduced the new application fee from $100 to $1 and the renewal fee from $50 to $1 "due to the instability around the world, and a duty to help citizens protect themselves." As a result, applicants in other months paid higher fees and the Sheriff did not charge a rate sufficient to cover issuance costs during this period.

Accounting Controls and Procedures	The Sheriff's office did not disburse all bond money collected. The audit noted 23 undisbursed amounts for the inmate/commissary bank account labeled as "bonds" totaling $1,791 that the Administrative Assistant was unaware of and she did not know how long the funds had been in the account. Sheriff's office personnel do not perform adequate bank reconciliations of the inmate/commissary account and do not prepare monthly lists of liabilities for the Sheriff's fee and inmate/commissary accounts. The Administrative Assistant does not perform procedures to identify outstanding checks, deposits in transit, and other reconciling items for the inmate/commissary account. As a result, as of December 31, 2023, there was an unidentified balance of $114,946 in the inmate/commissary account and a shortage of $93 in the fee account.
Commissary Controls and Procedures	The Commissary Coordinator has not established adequate inventory controls and procedures over commissary items sold to inmates. The Commissary Coordinator orders e-cigarettes and certain personal care products when she visually observes the supply is low. The Commissary Coordinator does not track inventory remaining on hand, conduct periodic physical inventory counts, or reconcile commissary sales to the commissary inventory records. In addition, commissary inventory items are not maintained in a secure location. The Sheriff's office does not charge and remit sales tax on commissary sales of e-cigarettes and certain personal care products.

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.

Bates County Sheriff
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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

County Commission
and
Sheriff of Bates County

We have audited certain operations of the Bates County Sheriff's office in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, January 1, 2022, through June 30, 2024. The objectives of our audit were to:

1. Evaluate the Sheriff's internal controls over significant management and financial functions.

2. Evaluate the Sheriff's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

4. Determine the extent of improper use or waste of public resources, if any.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) improper use or waste of public resources totaling at least $178,382. The accompanying Management Advisory Report presents our findings arising from our audit of the Bates County Sheriff's office.

We previously issued a report for the county: *Bates County*, report number 2024-101, in December 2024.

Scott Fitzpatrick
State Auditor

Bates County Sheriff
Introduction

Background

The Sheriff is the chief law enforcement officer of the county. The Sheriff's duties are defined in state law, and include patrol of county highways, housing prisoners, transporting prisoners to state penitentiaries, and serving various legal papers and processes. The Sheriff's office collects money for various fees, bonds, and other miscellaneous receipts allowed by state law. The costs of operating the Sheriff's office are paid primarily from the Law Enforcement Fund (LEF) which had a fund balance of $2.6 million at December 31, 2023. The majority of the LEF revenue ($6.8 million) for 2023 came from board of federal prisoners ($5.1 million), law enforcement sales tax ($882,000), and county use tax ($225,000).

The Sheriff's office maintains a fee account for money collected for civil paper service, Sheriff's Deputy Supplemental grant, mileage, concealed carry weapons permits, sex offender registry fees, certified narcotics enforcement team, school resource and Drug Abuse Resistance Education (D.A.R.E.) officer fees, and other miscellaneous fees. During the year ended December 31, 2023, receipts deposited in the fee account totaled approximately $36,000.

In addition, the Sheriff operates a 200-bed facility, housing inmates primarily for the United States Marshals Service. The Sheriff's office operates a commissary for inmates to purchase various snacks and personal items, as well as phone cards, and access to email and video visitation. Deposits into the inmate/commissary bank account, which include commissary sales and commissions and inmate accounts, totaled approximately $1.4 million during the year ended December 31, 2023.

Sheriff Anderson was elected Bates County Sheriff in November 2008 to a 4-year term. He was re-elected in 2012, 2016, 2020, and 2024, and is currently serving his fifth term which expires in 2028. Sheriff Anderson received a salary of $86,918 during 2023. As of December 31, 2023, the Sheriff employed 75 full-time and 18 part-time staff including deputies, jailers, and administrative personnel.

Mounted Patrol Unit and Bates County Sheriff's Posse

The Bates County Sheriff's office established a Mounted Patrol Unit (MP) in July and August 2021 with the purchase of 4 horses. As of June 2024, the MP consisted of the Sheriff, a detective, a captain, and 2 county owned horses. The MP is used mainly for ceremonial and community events, such as parades and rodeos.

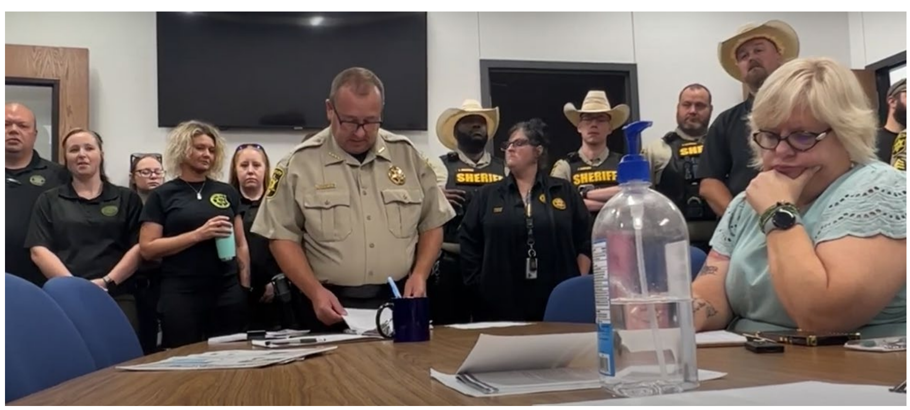
The Sheriff's office is also associated with the Bates County Sheriff's Posse (Posse) which was originally incorporated and registered as a not-for-profit in 2009. The not-for-profit registration was administratively dissolved in 2017 for failure to file an annual registration report with the Missouri Secretary of State's office. The Posse's not-for-profit registration was reinstated in July 2024, after our inquiries, with the filing of its 2016-2023 annual registration reports. The Posse applied for and was granted 501(c)3 status in May 2025. The Facebook page for the Posse indicates it is a "…volunteer organization that was founded in 2009…." and they "…work closely with the Bates County Sheriff's Office when extra manpower is needed for search and rescue operations, crowd control as well as traffic control."

The bank account for the Posse was opened under the county's federal Employer Identification Number (EIN). The County Commission was unaware of the account until we brought it to their attention. The signature card was last updated in April 2022, with Sheriff Anderson and two additional authorized signers, both current employees in the Bates County Sheriff's office as of June 30, 2024. The Posse applied for its own EIN in May 2024 and subsequently transferred the bank balance to a new account opened with that EIN, after our inquiries.

Investigation and audit

The State Auditor's Office (SAO) Whistleblower Hotline received concerns about the Sheriff's use of taxpayer dollars to purchase, maintain, and care for horses; personal use of the county horses; funding personal interests in non-law enforcement activities; and donations of cash and county property to organizations under the guise of community policing. Other concerns reported to the SAO Whistleblower Hotline included the county reimbursing the Sheriff for purchases rather than paying expenditures directly, a lack of fair and transparent vendor selection for purchasing and selling county property, the intimidating nature of more than a dozen uniformed employees attending commission meetings (see Figure 1), and the Sheriff using the threat of lawsuits when the County Commission did not pay Sheriff's office invoices.

Figure 1: Sheriff addressing commission



In June 2023, the SAO conducted an initial review under Section 29.221, RSMo, of complaints received. After review of the documentation provided, the SAO determined further investigation was warranted.

Subpoenas required

The SAO issued two subpoenas compelling Sheriff Anderson to provide testimony and produce documents related to his testimony. (See Appendixes A and B.)

The Sheriff refused to provide bank statements and related account records and bank detail for the Posse bank account opened with the county EIN. The SAO issued a subpoena to Adrian Bank to obtain documentation related to this bank account (see Appendix C).

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, January 1, 2022, through June 30, 2024.

Our methodology included reviewing minutes of County Commission meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and performing sample testing using random, haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire population from which the test items were selected. We reviewed the Bates County audit reports of Daniel Jones Associates, Certified Public Accountants, for the two years ended December 31, 2019, and of McBride, Lock & Associates, LLC, Certified Public Accountants, for the two years ended December 31, 2021.

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 performed the following procedures to evaluate (1) the Sheriff's internal controls over significant management and financial functions; (2) Sheriff's compliance with certain legal provisions; (3) the economy and efficiency of certain management practices and procedures, including certain financial transactions; and to determine (4) the extent of improper use or waste of public resources:

- We tested one month of Sheriff's receipts for the judgmentally selected period of December 2023, including civil and criminal process fees, concealed carry weapon permit fees, commissary payments, bond money, and other miscellaneous receipts to determine if they were receipted, recorded, and deposited appropriately and if the Sheriff distributed the amounts as required by state law.

- We randomly selected 10 seized property items from the inventory records and verified their location and traced 10 haphazardly selected items from the property room to the inventory records.
- We reviewed the Sheriff's office procedures for detainee board including billing and collection of amounts due.
- We reviewed jail operations including handling of inmate money and commissary procedures.
- We reviewed various Whistleblower concerns significant to the audit objectives.
- We reviewed applicable county policies.
- We took sworn testimony during a recorded interview of the Sheriff on October 29, 2025. See related subpoenas at Appendix A and Appendix B.
- We reviewed judgmentally selected expenditures and supporting documentation for the period January 1, 2022, through June 30, 2024, and 2021 expenditures and supporting documentation related to the Sheriff's MP. We reviewed the documentation to determine if the transactions had a law enforcement purpose.
- We reviewed payroll data related to compensatory time accrual, and County Employee Retirement Fund (CERF) contributions.
- We reviewed purchase and disposal information relating to horses for the MP.
- We reviewed the Sheriff's community policing program to determine if it aligned with program objectives outlined by the Department of Justice.

1. Wasted Public Resources

From at least July 2021 through June 2024, the Sheriff wasted public resources totaling at least $178,382, by maintaining a Mounted Patrol (MP) and funding a Sheriff's Posse (Posse) that had little or no apparent law enforcement purpose, funding rodeo and community events, donating to various private organizations, holding parties, and using county assets for personal use. The Sheriff attributed many of the purchases to community policing efforts but did not have documentation to support how the purchases achieved the goals of a community policing program or that his office had such a program with a stated goal, mission, or policies and procedures.

1.1 Improper and questionable disbursements

The Sheriff used county funds for improper and questionable purchases with little or no apparent law enforcement purpose totaling $146,635 during our audit period of January 1, 2022, through June 30, 2024, and to purchase horses for $7,747 and $24,000 in 2021 and 2025, respectively, that had no apparent law enforcement purpose. Figure 2 shows the disbursement totals by year and category. See Appendix D for a summary of expenditures by type for the 2 years ended December 31, 2023.

Figure 2: Improper and questionable disbursements

Category	6 months ended June 30, 2024	Year ended December 31, 2023	Year ended December 31, 2022	Total
Mounted Patrol Unit	$4,038	32,552	41,785	78,375
Bates County Sheriff's Posse	1,983	9,371	5,494	16,848
Rodeo and community events	0	11,730	12,058	23,788
Donations	0	1,260	22,008	23,268
Holiday parties	0	3,575	781	4,356
Grand Total	$6,021	$58,488	$ 82,126	$146,635

Mounted Patrol Unit

The Sheriff used county funds of over $110,000 to establish and maintain a MP within his office, beginning with the purchase of 4 horses in July and August 2021, that was rarely used for law enforcement purposes. Between August 2021 and July 2024, the MP attended 24 events, including 8 parades (see Figure 3), 6 tractor shows, 4 rodeos, 4 fun horse shows, and 1 family fun day, but only one search and rescue and no crowd or traffic control. The Sheriff indicated in his response the MP was again used in May 2026 for search and rescue, in an unspecified out-of-state search, and was requested for crowd control in Kansas City related to the 2026 FIFA World Cup. The number of ceremonial events significantly outnumbers the official law enforcement uses and half of the identified law enforcement uses occurred outside of the county.

Figure 3: Parade appearance

The following table shows the various MP horses, purchase price, current age, and disposition.

Horses purchased for Mounted Patrol

Horse's Name	Purchase Date	Purchase Price	Age[1] (if known)	Disposition
Clemintine	July 2021	$ 1,499		Euthanized in 2021
Stetson	July 2021	1,499		Euthanized in 2023
Peaches	July 2021	2,750		Sold in 2022 for $2,500
Deets	August 2021	2,000	23	Sold in 2023 for $500
Hank	March 2022	5,150	25	Euthanized in 2025
Bandit	March 2022	5,000	23	NA
Tater	October 2025	12,000	3	NA
Duck	November 2025	12,000	4	NA
Total		$ 41,898		

[1]Age as of 2025.

The age of some of the MP horses may have limited their usefulness for law enforcement as many were over the age of 20. Horses are considered senior at 20 and have an average lifespan of 25 to 30 years (Giffin and Gore)[1]. In addition, some of the MP horses had specific issues that made them unlikely to be useful. For example, 2 horses, Clementine and Stetson were purchased from a low-grade livestock pen in July 2021, suffering from critical illnesses, and ultimately had to be euthanized. Deets, purchased in August 2021, was sold due to bucking, and Hank was euthanized in 2025 at the age of 25. While Bandit, purchased in March 2022, is search and rescue certified, he turned 24 on June 18, 2026. Finally, the Sheriff used county funds to purchase Tater and Duck, ages 3 and 4, in 2025, with no search and rescue training or experience, for $12,000 each.

Maintenance for the MP was also costly. The Sheriff used county funds totaling at least $53,225 on boarding, feeding, veterinary care, and equipment for horses. The equipment included custom saddles and other items that are imprinted with the Bates County Sheriff's logo. The Sheriff also used county funds to purchase a 1998 Exiss horse trailer (see Figure 4) for $11,000 and $4,000 to have the trailer wrapped with the Bates County Sheriff Mounted Patrol signage.

[1] James Giffin and Tom Gore, *Horse Owner's Veterinary Handbook*, (Howell Book Hours, January 1, 1977), page 499.

Figure 4: Horse trailer

Bates County Sheriff's Posse

The Sheriff is using county resources to pay some of the expenses of the Posse, a not-for-profit entity, without a written agreement. The Sheriff has also comingled Posse activities with official operations and publicly represents the Posse as a division of his office, making it difficult to distinguish between the two. The Sheriff indicated the Posse's primary duties are to supplement personnel for his office when needed and listed the Posse as a "Division" of the Sheriff's office in a Sheriff's office Facebook post on January 24, 2023. However, when asked, the Sheriff confirmed that the Posse was a separate organization.

Sheriff's Posse operates as a division of the Sheriff's office without a written agreement

The Sheriff has not entered into a written agreement with the Posse specifying services to be rendered and the manner and amount of compensation to be paid, or requiring reimbursement to the county for the expenses paid on behalf of the Posse. The Posse also uses the Sheriff's office address and phone number for official business, including registration documents submitted to the Secretary of State, bank statements, invoices, and published contact information. In addition, Sheriff's office employees conduct all accounting and administrative duties for the Posse and attend Posse events while on duty. Purchases made for the Sheriff's office and Posse are often included on the same invoices. In addition, the Sheriff commissioned the parade flag shown in Figure 3, with the Posse badge logo centered between "Mounted Patrol" and "Mounted Posse." A written agreement that clearly indicates the benefit to the Sheriff's office for its subsidization of the Posse is necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Sheriff's Posse expenditures paid by Sheriff's office

The Sheriff used county funds to pay invoices addressed to the Posse totaling $16,848 including $7,406 for shirts with the Posse badge logo, $4,543 for medical training and equipment, $1,749 for Posse badges, $1,477 for customized saddle pads, $1,150 for supplies, and $523 for awards. It is unclear what safety or law enforcement purpose requires the Sheriff's office to pay to outfit Posse volunteers with realistic badges and Bates County Sheriff's office identification, in a leather badge wallet (as depicted in the lefthand photograph in Figure 5), matching customized saddle pads (depicted in the righthand photograph in Figure 5) with reflective properties that are used under saddles, and matching white long sleeved shirts (not pictured) with the Posse's logo.

Figure 5: Sheriff's posse related expenditures

In addition, the Sheriff assigned the county-owned 2005 Chevy Tahoe to the Posse and used county funds totaling $605 to have the vehicle wrapped (center picture in Figure 5) with the Posse's lettering and insignia. The Sheriff indicated he assigned other search and rescue assets such as drones, to the Posse, but did not maintain a list of the assets assigned. The Sheriff indicated all items purchased for or assigned to the Posse are stored at the Sheriff's office when not in use; however, we were unable to locate the saddle pads when performing audit work.

The Sheriff indicated these purchases were necessary to ensure the Posse volunteers can assist his employees in search and rescue missions and increase their response time. However, as indicated, the MP and the Posse were only been deployed to assist in 1 search and rescue mission during our audit period and were not otherwise used for documented law enforcement activities.

Rodeos and other community events

The Sheriff used county funds, totaling $23,788, to finance annual Posse fundraising rodeos and other community events. Neither the county nor the Sheriff's office were reimbursed for funds spent on the events and all proceeds went to the concession vendor (a local not-for-profit) or the Posse from advertising sales. Identifiable rodeo receipts[2] and disbursements are summarized in Figure 6.

Figure 6: Rodeo revenues (losses)

	County		Posse	
Year ending December 31,	2022	2023	2022	2023
Receipts	0	0	5,000	8,750
Disbursements	10,840	11,220	2,433[(1)]	679
Net Revenue (Loss)	(10,840)	(11,220)	2,567	8,071

[(1)] Includes $1,037 donated to the Bates County High School Rodeo Team on which the Sheriff's son competed.

[2] Transactions identified from Posse bank records and county financial records.

Figure 7 shows examples of rodeo posters that include advertising sold by the Posse.

Figure 7: Rodeo flyers

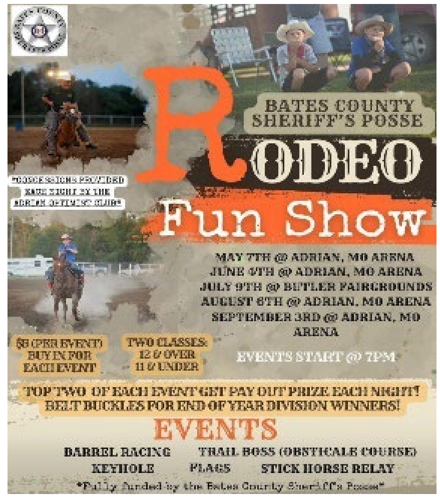
The community events included annual Family Fun Days, advertised as opportunities for the public to "dunk-a-deputy," "pet and ride the mounted patrol horses," and "explore police cars." These events were free to the public, and the Sheriff used county funds to provide food and drinks at no charge and used county property including the dunk tank, patrol cars, and mounted patrol horses. In addition, the Posse held free monthly Rodeo Fun Shows from May through September. The Sheriff used county funds totaling $1,075 to advertise the events and rent portable toilets for the Fun Shows. Entry fees for the Rodeo Fun Shows were given to contestants as prizes. Finally, the Sheriff used county funds totaling $653 on 75 shirts in various sizes and colors for a dodge ball tournament hosted by the Bates County Sheriff's Posse in 2022.

The Sheriff also maintains assets with no law enforcement purpose, to facilitate the hosting of or participation in the community events. In addition to the dunk tank previously mentioned, the Sheriff's asset list includes a popcorn machine, a sno-cone machine, a roller grill, a cheese warmer, and a go-kart (Figure 8).

Figure 8: Go-kart

Figure 9 includes advertisements and pictures from sponsored events.

Figure 9: Community events



The Sheriff indicated the rodeos and community events are part of his office's community policing program. While the Sheriff's support of community events is admirable, use of county funds to do so violates the fiduciary trust taxpayers have placed in the Sheriff to spend county funds appropriately as it is unclear what law enforcement or community policing purpose these events provide (see section 1.2).

Donations

The Sheriff donated $23,268 in county funds to local youth sports programs, and other not-for-profits. Donations included payments to a local cub scout troop, travel baseball and softball clubs, a swim team, a $15,000 donation to the Bates County Fair Board, and $5,045 for the construction, maintenance, and holiday decoration of a replica 1880's Sheriff's office (replica) located at the Adrian Frontier Village (Village) in Adrian, Missouri. Figure 10 is a photo of the Sheriff at the replica building with a replica Sheriff's wagon personally owned by the Sheriff.

Figure 10: 1880's Sheriff's office replica

The Adrian Area Historical Society and the Western Missouri Antique Tractor Association own and operate the Village as a tourist attraction. Sheriff's office personnel indicated deputies with the MP patrol the tractor shows held at the Village but provided no evidence of an agreement to routinely patrol private property and they could not provide any law enforcement purpose for the construction, maintenance, and decoration of the replica building.

Holiday parties

The Sheriff used county funds to purchase food from local restaurants and rented event venues totaling $4,356 for parties. In December 2023, the Sheriff paid $400 for a VIP private rental at a local bowling alley for a holiday party for 150 guests. The Sheriff also paid for food and drink purchases for this event including a $2,250 dinner catered by a Sheriff's Posse volunteer, a $625 grazing table catered by a local vendor, and a $300 drink package catered by a local tavern. Also in November 2022, the Sheriff paid $381 to rent event space from Bates Social for an unidentified event and in December 2022, paid $400 to rent a local bowling alley for a Christmas party.

Neither the Sheriff nor the county has any guidance or policies about food and event purchases. Such guidance or policies can have various provisions including prohibited purchases like alcohol. For example, the State of Missouri's agency provided food policy only allows for food at official business functions and light refreshments at other agency sponsored activities (e.g., employee retirement and appreciation), but banquets for such activities are not allowed. In addition, the policy requires documentation to support food purchases including (1) purpose, (2) list of participants or estimated number of invitees, and (3) cost of food provided.

County assets

The Sheriff used county assets for personal or non-county purposes and did not store all county property at approved county locations. As noted previously, the Sheriff used county assets for Posse and community events (dunk tank, vehicles, and MP horses). The Sheriff also used the county's armored vehicle for his son's high school prom. Pictures posted to Facebook feature the Sheriff's son, another student, the Sheriff, and his wife with the armored vehicle prior to prom. Other photos posted to a Facebook account depict the son and the other student inside the vehicle.

In addition, the Sheriff did not always store the horse trailer at county approved locations. The county horses are kept at a boarding facility, as there is not an appropriate county owned property available. Sheriff's office personnel indicated the horse trailer was also kept at the boarding facility to reduce response time when deploying the MP. We made 2 attempts to locate the horse trailer. Each time, the horses were located at the boarding facility, but the horse trailer was not at the facility or any county owned property.

Sections 2.2.7 and 4.1.46, Bates County Sheriff's Office Policy Manual, prohibit personal use of county property. County assets stored off county property increases the risk loss or theft will not be detected timely.

Conclusion

Taxpayers have placed a fiduciary trust in their public officials to spend funds and manage assets in a prudent and necessary manner. Given the Sheriff's responsibilities for county law enforcement, careful consideration should be given to any expenditures that divert funds from public-safety functions. Missouri Constitution, Article VI, Sections 23 and 25 prohibit the use of public money or property to benefit any private individual, association, or corporation. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved and specifying the services to be rendered and the manner and amount of compensation to be paid, are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

1.2 Community policing program

The Sheriff attributed the extensive expenditures for community events, donations, and purchases of promotional items to community policing efforts, but does not have any policies or procedures for such a program or documentation to support how the expenditures supported his office's community policing goals, activities, or mission.

For example, the Sheriff used county funds to purchase promotional items totaling $13,735 to give away at community events. Items purchased include ink pens, lip balm, hand sanitizer, toy sheriff badges, hand fans, cups, beach balls, stress balls, string bags, stickers, mood bracelets, and flying discs as part of his office's community policing program. However, he does not have any documentation to support what community policing goals the items achieve. Figure 11 shows pictures of the various items purchased.

Figure 11: Promotional items

The United States Department of Justice defines community policing as a philosophy that promotes organizational strategies which support the systematic use of partnerships and problem-solving techniques, to proactively address the immediate conditions that give rise to public safety issues such as crime, social disorder, and fear of crime.[3] Without policies governing the Sheriff's community policing program, or documentation to support how related purchases support community outreach, it is unclear if the Sheriff has implemented an effective community policing program and is achieving intended objectives of such a program.

Recommendations

1.1 The County Commission and Sheriff ensure all disbursements, including those related to the MP and Posse, are a necessary and prudent use of public funds, and discontinue any programs that do not serve a law enforcement purpose for the county. If the County Commission chooses to continue subsidizing the Posse, it should work with the Sheriff to obtain written agreements with it. The Sheriff should ensure all county assets are used only for law-enforcement purposes and maintained at county approved locations. Finally, the Sheriff and the County Commission should establish policies regarding food and event purchases, if such purchases are considered necessary.

1.2 The Sheriff establish policies and procedures outlining its community policing program, and document how efforts meet established program goals.

Auditee's Response

The Sheriff's full response is included at Appendix E.

The County Commission's full response is included at Appendix F.

Auditor's Comments

1.1 The Sheriff's response generally negates the importance of prudent fiscal spending and attempts to excuse the over $178,000 in wasted public resources by minimizing the amount. There is no amount that is acceptable for the improper use of taxpayer dollars and, certainly, the over $178,000 improperly spent should not be considered "relatively low" as the Sheriff's response indicates. Additionally, the Sheriff's response contains various instances of derogatory and inflammatory language meant to discount the report's findings. For example, the response indicates the report findings are "without basis in fact" but did not provide any additional documentation to support this or otherwise contradict the facts included in the report.

[3] <https://www.ojp.gov/ncjrs/virtual-library/abstracts/community-policing-defined-0>

The Sheriff's response confirms the limited use of both the MP and Posse for specific search and rescue or law enforcement activities and only notes 2 additional completed MP searches, one of which occurred in May 2026, and a request for participation in crowd control in Kansas City for the 2026 FIFA World Cup as support for the law enforcement use of the MP and Posse. We have updated the report to reflect this. However, this still only indicates the MP was used or will be used for documented official business 4 times in an almost 5 year period, 2 of which were outside of Bates County. The Sheriff provides no indication of how the MP is an economical or prudent use of funding for the county's limited search and rescue needs.

In addition, the Sheriff's response indicates that the discussion of the MP trailer is unjustified because it has been used periodically for livestock related events. While this may have occurred, as indicated by the trailer signage it is for the MP, and is used primarily for transporting those horses to ceremonial and community events. Additionally, the Sheriff's response indicates that the SAO could not locate the trailer because it was in Archie, MO, to be wrapped. The Sheriff provided a letter from the Archie Police Chief indicating the trailer was at the location for approximately 2 weeks but it does not provide the dates. However, the invoice from the wrapping company in Archie is dated December 13, 2023, indicating the work was performed in 2023. The auditors did not attempt to locate the vehicle until April and July 2024, making it unlikely this was the reason it could not be located.

The Sheriff's response indicates public funding of the private Posse is necessary because the Posse could be used in a disaster and items such as realistic badges are necessary to properly identify the Posse members during such an event. Beyond the previously mentioned May 2026 event, the response confirms how little the Posse has been used for official business. It does not appear necessary for Bates County taxpayers to continuously fund a private entity for hypothetical future events without even an agreement identifying what the actual benefit to the county is.

The Sheriff's response argues his donations to third-parties using taxpayer funds is entirely legal because they are "community policing" expenditures. The Sheriff's donations do not always benefit the community as a whole but instead directly benefit his own family members (such as allowing his son to use the Sheriff's armored vehicle for prom transportation). The taxpayers of Bates County should have the discretion to determine if a third-party is worthy of a monetary donation; not be forced to make such a donation at the Sheriff's discretion with taxpayer funds. The Sheriff provided 3 legal opinions in his response stating the use of county funds for rodeos was allowable for community policing. One was from the Sheriff's personal attorney who also drafted the audit response. Another acknowledges that such expenditures could be appropriate if deemed "supporting the public good as part of a community policing project" as we recommend in Section 1.2.

The Sheriff's response specifically notes that use of a county vehicle to drive his son to prom was an effort to reduce drunk driving. The report in no way questions any efforts by the Sheriff to ensure the safety of county youth. However, it is questionable how escorting his son and the other student to prom in the county's armored vehicle, and being photographed along with them in front of it, was for the purpose of deterring crime.

Finally, the Sheriff's response indicates he disagrees that use of taxpayer funds to hold parties is improper because it builds morale and encourages employee longevity. If the Sheriff chooses to continue such purchases, doing so in accordance with a policy that requires documentation of the public purpose is necessary.

1.2 The Sheriff contends in his response that he is building relationships by hosting the numerous events discussed in the report and the events held increase the likelihood that crimes are reported and confidential information will be shared with the office. The report acknowledges that the Sheriff believes his spending is necessary for community policing. However, during the audit, the Sheriff did not document how the expenditures support the community policing program's goals, activities, or mission and his response provides no further evidence of the necessity of rodeos, family fun days, replica Sheriff's buildings for tourist attractions, etc. for the program.

2. Cash Reserves and Restricted Funds

The County Commission accumulated a significant cash reserve in the Law Enforcement Fund. In addition, the Sheriff's handling of restricted funds needed improvement. Receipts deposited totaled approximately $6.8 million for the Law Enforcement Fund and $503,000 for the Inmate Security Fund during the year ended December 31, 2023.

2.1 Cash reserves

The Law Enforcement Fund cash balance generally increased beginning in 2020 and, as of December 31, 2023, totaled $2.6 million and the County Commission did not have a plan for use of this significant balance or to reduce the Law Enforcement Sales Tax rate.

The Sheriff charges for services, including housing federal prisoners, civil paper service, Concealed Carry Weapons (CCW) permits, sex offender registration, 911 dispatch services, accident reports, school resource officers, and trailer inspections. Revenues for these services for the year ended December 31, 2023, totaled $5.4 million, or 80% of revenues credited to the

Law Enforcement Fund. An additional $881,729, or 13%, was collected in law enforcement sales tax, and the remaining $487,806, or 7%, was county use tax, interest, and other intergovernmental and miscellaneous revenues.

Despite the significant accumulated cash balance, the County Commission had not considered adjusting the law enforcement sales tax rate or established a documented plan for this excess cash balance. After bringing the need to separately account for the restricted sales tax proceeds to the county's attention (see section 2.2), the County Commission began depositing the proceeds into a separate fund, and budgeted that money to fund the Prosecuting Attorney's and Juvenile offices.

Accumulating an excessive cash balance without documented, long-term plans for use of this money puts an unnecessary burden on taxpayers and contributed to the Sheriff's ability to spend taxpayer money inappropriately.

2.2 Restricted funds

The county did not properly track the balance of sales taxes restricted for law enforcement services and improperly uses restricted Inmate Security Fund money to purchase items.

During the year ended December 31, 2023, the county combined $881,729 in law enforcement sales taxes with other money including use tax, federal prisoner board, and other miscellaneous fees in the Law Enforcement Fund. As a result, the county could not determine, at a point in time, what portion of the Law Enforcement Fund balance represented restricted money and ensure restricted revenues are used only for allowable purchases. The Sheriff also improperly used $65,605 from the Inmate Security Fund to purchase mobile command center chargers in March 2023. There is no evidence to suggest a mobile command center would be an allowable expense related to inmate detention as required.

The County Clerk indicated the county was not aware the funds needed to be segregated in a special fund or separately tracked. Section 67.582.3, RSMo, restricts all law enforcement sales tax revenue to law enforcement services. Section 488.5026.3, RSMo, mandates how the funds deposited in the Inmate Prisoner Detainee Security Fund must first be used to acquire, develop, and maintain biometric verification systems, and then to pay any expenses related to detention, custody, and housing and other expenses for inmates, prisoners, and detainees. Separate accounting of restricted money is necessary to ensure compliance with state law and county ordinance.

Recommendations

The County Commission:

2.1 Evaluate funding needs and consider revising the law enforcement sales tax rate. Plans made for expending the accumulated cash balance should be set forth publicly in the budget documents.

2.2 Ensure all law enforcement sales tax revenues are deposited into a separate fund or there is a separate accounting of the restricted money, and ensure restricted revenues are used only for allowable purposes.

Auditee's Response

The Sheriff's full response is included at Appendix E.

The County Commission's full response is included at Appendix F.

Auditor's Comment

2.1 The Sheriff's response wrongly claims the audit recommends defunding law enforcement in Bates County. Rather, the audit recommends evaluating funding needs and considering revising only the law enforcement sales tax rate which the report notes was only 13 percent of Law Enforcement Fund revenues in 2023. Given the increasing fund balance and the indiscriminate spending the current sales tax rate has allowed, it is only appropriate that the county consider how to otherwise use this funding, as the County Commission's response indicates it has, or ease the tax burden on the citizens.

3. Payroll Controls and Procedures

Significant improvement of payroll controls and procedures is needed.

3.1 CERF contributions

The Sheriff's payment of matching contributions for employee retirement resulted in lost county funds. Beginning in 2019, the Sheriff elected to pay 3% of the 6% required employee contribution, effectively matching each employee's contribution. The Sheriff does not have the statutory authority to make such contributions on behalf of his employees and because the election was not properly identified, the CERF refunded employees for amounts paid with county funds rather than the county when they left county employment. Employer matching contributions for Sheriff's office employees totaled $230,513 for the 3 years ended December 31, 2023.

CERF rules allow the County Commission to make matching contributions on behalf of employees. Per CERF rules, such an election should be documented in the county meeting minutes and submitted to the CERF. Employer and employee contributions are to be separately stated. Instead of doing this, the contributions made by the Sheriff were classified as employee contributions and remitted with the portion actually paid by the employees. As a result, for those Sheriff's office employees who left employment prior to becoming vested, the CERF refunded both the employee contribution and the matching contribution paid by the Sheriff to the employee. According to the CERF, refunds totaling $263,547 were issued to unvested Sheriff's office employees from 2019 to 2025. The county should have received $131,773 of this.

Employer matching contributions are allowed under 16 CSR 50-10.30(5). An employer may elect, before or as soon as possible after the beginning of each Plan Year, to make matching contributions by transmitting minutes of the meeting of the county commission to the Board of Directors of the County Employees' Retirement Fund. The employer is defined as each county, and employee is defined as any person, an elective or appointive county official, or employee regularly employed by a county who is under the direct control and supervision of a county or an elected or appointed county official. These requirements were not fulfilled by the Bates County Sheriff.

3.2 Compensatory time

The Sheriff's office did not calculate compensatory time for non-law enforcement employees in accordance with the Fair Labor Standards Act (FLSA) and, as a result, the county underpaid 43 current and former employees overtime compensation totaling $37,927 as of June 30, 2024.[4] In addition, the Sheriff has not established personnel policies addressing how compensatory time for law enforcement employees should be calculated.

The Sheriff's office procedure was to provide all employees an hour and a half of compensatory time for hours worked in excess of 171 in a 28-day period. The FLSA allows this for law enforcement employees only. The FLSA defines law enforcement personnel as employees who are empowered by state or local ordinance to enforce laws designed to maintain peace and order, protect life and property, and to prevent and detect crimes; who have the power to arrest; and who have undergone training in law enforcement. The FLSA requires any time worked over 40 hours a week (for non-law enforcement personnel) to be paid at time and a half. The Sheriff indicated he believed all employees in his office were law enforcement employees for the purposes of FLSA rules.

Written personnel policies and strict compliance with those policies, and effective procedures to detect and correct errors, are necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated. After we brought the issue to the County's attention, the County Clerk recalculated non-law enforcement overtime hours to determine the amount employees should have been paid. The county paid the underpaid employees the amounts due in July 2024.

3.3 Payroll advances

The Sheriff advanced 80 hours compensatory time to each of his employees to create a payroll hold back period,[5] but did not ensure the employees earned sufficient compensatory time to repay the advance. Prior to the hold back

[4] This is the date the County Clerk's office took over calculating compensatory time for the Sheriff's employees.
[5] Employers use a hold back period between the end of the pay period and the actual payday to ensure accurate payroll processing, allowing them time to compute wages, calculate benefits, and process deductions before issuing checks.

period, county employees submitted their time for the first weeks of the month and their last week of pay was estimated. These estimates required a reconciliation between the estimated time submitted and the actual time worked and any adjustments to be applied to the following pay period. The Sheriff indicated the pay advances were necessary in order to establish the hold back period and prevent his office's employees from receiving a reduced paycheck to establish the hold back period.

The Sheriff planned to obtain repayment of the compensatory time advance by deducting 80 hours from each employee's existing compensatory leave balance. As a result, employees who had less than 80 hours compensatory leave ended up with negative compensatory leave balances. The Sheriff believed applying future compensatory time earned would eventually eliminate the negative compensatory leave balances. However, many employees did not earn sufficient compensatory time to cover the negative balance, and, as of June 30, 2024, 20 employees had negative compensatory leave balances totaling $35,708. An additional 8 employees left county employment with negative compensatory balances totaling $6,783, which is still owed to the county.

Changes in payroll cycles without proper oversight and review can lead to errors and misunderstandings. Advance payments are loans of county funds. The Sheriff has no statutory authority to make loans and the Missouri Constitution, Article VI, Sections 23 and 25, specifically prohibit counties, cities, or other political subdivisions of the state from granting public money or things of value to any corporation, association, or individual.

3.4 Centralized leave records

The County Clerk's office did not maintain centralized leave records including sick, vacation, and compensatory time for Sheriff's office employees. The Sheriff's Administrative Assistant maintained leave balance records for all Sheriff's office employees. County Clerk's office personnel verified the accuracy of leave balances for all offices except the Sheriff's office. The County Clerk indicated the Sheriff only complied with her requests for copies of leave records after our inquiries about the lack of centralized leave records.

Without centralized leave records, the County Commission cannot ensure leave and compensatory time earned and taken by employees are accurate. For example, neither the County Clerk nor the County Commission were aware of the negative compensatory leave balances noted in Section 3.3. In addition, centralized leave records aid in ensuring equitable treatment of employees and in determining final compensation for employees leaving county employment.

Recommendations

The County Commission and Sheriff:

3.1 Seek guidance from CERF personnel on appropriate steps to comply with state regulations.

3.2 Work to adopt detailed personnel policies for overtime to ensure employee payroll is consistent with county policy and the FLSA.

3.3 Discontinue the practice of providing pay advances to employees and require repayment of the advances made.

3.4 Ensure the County Clerk continues to maintain centralized leave records.

Auditee's Response

The Sheriff's full response is included at Appendix E.

The County Commission's full response is included at Appendix F.

Auditor's Comment

3.2 The Sheriff cites to 29 USC Section 207; 29 CFR Section 553.212; and *Baker v. Stone County*, 41 F. Supp. 2d 965, 991 (W.D. Mo. 1999) for his claim that the Bates County Sheriff's office employees with the titles of "jailers" and "dispatchers" are law enforcement employees for purposes of FLSA overtime requirements. 29 USC Section 207 and 29 CFR Section 553.212 set forth the maximum hours allowed and the twenty percent limitation on nonexempt work, respectively. The relevant federal regulation is 29 CFR Section 553.211(a), which specifies the term "any employee . . . in law enforcement activities" refers to any employee:

(1) who is a uniformed or plain clothed member of a body of officers and subordinates who are empowered by State statute or local ordinance to enforce laws designed to maintain public peace and order and to protect both life and property from accidental or willful injury, and to prevent and detect crimes, (2) who has the power to arrest, and (3) who is presently undergoing or has undergone or will undergo on-the-job training and/or a course of instruction and study which typically includes physical training, self-defense, firearm proficiency, criminal and civil law principles, investigative and law enforcement techniques, community relations, medical aid and ethics.

29 CFR Section 553.211(b) states that "[e]mployees who meet these tests are considered to be engaged in law enforcement activities." 29 CFR Section 553.211(f) also specifies that employees who meet the definition of "security personnel in correctional institutions" are considered an employee in law enforcement activities. The Sheriff provided no documentation that established the nonexempt

employees satisfied the requirements in 29 CFR Section 553.211(a) or (f) to qualify as an employee in law enforcement activities for the purpose of the FLSA. While *Baker v. Stone County* discussed compensation time for employees in law enforcement activities, in that case the Court was provided with sufficient evidence to conclude the sheriff's deputies and jailers were in a "public safety activity" pursuant to 29 CFR Section 553.24(c), and that the dispatchers performed "emergency response activities" pursuant to 29 CFR Section 553.24(d) for purposes of compensatory accrual limitations. Here, the Sheriff failed to provide any documentation to establish the employees met the requisite definitions found in federal law.

4. Concealed Carry Weapon Permit Fees

The Sheriff improperly waived the concealed carry weapon permit fees for some applicants. From October 10, 2023, to December 31, 2023, he reduced the new application fee from $100 to $1 and the renewal fee from $50 to $1 "due to the instability around the world, and a duty to help citizens protect themselves." He indicated this was allowable because state law allows fees from CCW permits to be used to cover all costs associated with the issuance of CCW permits. However, the statutory provisions are intended to cover the Sheriff's office costs and not those of the applicants. As a result, applicants in other months paid higher fees and the Sheriff did not charge a rate sufficient to cover issuance costs during this period.

Section 50.535.3, RSMo, includes provisions for the Sheriff to set the permit application fees based on actual costs and expenses during the regular budget cycle. Section 571.101.11, RSMo, requires the fees to include the cost of fingerprinting and background checks. However, the Sheriff and County Commission set application and renewal fees at the maximum amount allowed by law instead of establishing fees proportionate with costs.

Recommendation

The Sheriff charge all applicants for CCW application and renewal fees according to the established fee schedule and set fees each budgeting cycle based on an estimate of actual costs and expenses to be incurred, as required by state law.

Auditee's Response

The Sheriff's full response is included at Appendix E.

5. Accounting Controls and Procedures

Accounting controls and procedures in the Sheriff's office need improvement.

5.1 Bond disbursement

The Sheriff's office did not disburse all bond money collected. During our review of liabilities for the inmate/commissary bank account, we noted 23 undisbursed amounts labeled as "bonds" totaling $1,791 that the Administrative Assistant was unaware of and she did not know how long the funds had been in the account. She indicated she did not receive any of the paperwork for the undisbursed bonds, so she was not aware of them until we brought them to her attention.

Courts may require defendants to post a bond to be released from jail pending the outcome of court proceedings. Bonds are received by the Sheriff's office before the defendant is released. Each bond received is recorded on a bond form, which is transmitted with the bond money to the circuit court in which the case is to be heard. Missouri Supreme Court Rule 33.11 requires all bonds taken by the Sheriff be disbursed to the clerk of the court in which the person is required to appear. Additionally, timely and proper disbursement of bond money is necessary to ensure receipts are adequately safeguarded and to reduce the risk of loss, theft, or misuse of funds going undetected. Section 447.532, RSMo, provides that any unclaimed funds held by a political subdivision for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division.

5.2 Bank reconciliations and liabilities

Sheriff's office personnel do not perform adequate bank reconciliations of the inmate/commissary account and do not prepare monthly lists of liabilities for the Sheriff's fee and inmate/commissary accounts. The Administrative Assistant does not perform procedures to identify outstanding checks, deposits in transit, and other reconciling items for the inmate/commissary account. As a result, as of December 31, 2023, there was an unidentified balance of $114,946 in the inmate/commissary account and a shortage of $93 in the fee account.

As of December 31, 2023, the inmate/commissary account bank balance was $279,333. We identified outstanding checks totaling $7,892 and deposits in transit totaling $5,604 resulting in a reconciled balance of $279,443 which was $110 more than the bank balance. We also identified liabilities totaling $174,633 at December 31, 2023, consisting of inmate balances, undisbursed vendor payments and bonds, and commissary commissions, leaving an unidentified balance of $114,946. Most of this originated from a lump sum adjustment labeled "Beginning" to record the bank balance on hand when the Sheriff switched commissary vendors in October 2021. Because the account is used to hold money belonging to inmates for personal spending, bonds, and commissary purchases, the unidentified balance may include money owed to inmates. In addition, the reconciled bank balance of the Sheriff's fee account as of December 31, 2023, was $21,250. We identified liabilities totaling $21,343 consisting of seized cash and undisbursed fees, leaving a shortage of $93.

The issues occurred because the Sheriff did not have controls in place to ensure the Administrative Assistant understood the reconciliation process, liabilities were identified, and accounts were properly reconciled. Preparing adequate monthly bank reconciliations and monthly lists of liabilities helps ensure receipts and disbursements are properly handled and recorded and increases the likelihood errors will be identified and corrected timely. Regular identification of liabilities and a comparison of liabilities to the reconciled bank balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and money is available to satisfy all liabilities. Section 447.532, RSMo, provides that any unclaimed funds held by a political subdivision for more than 3 years should be turned over to the Missouri State Treasurer's Unclaimed Property Division.

Recommendations

The Sheriff:

5.1 Establish procedures to ensure all bond money is properly disbursed. If any money remains unidentified it should be disbursed in accordance with state law.

5.2 Ensure adequate monthly bank reconciliations and lists of liabilities are prepared and the lists of liabilities are reconciled to the available cash balance. Any differences should be promptly investigated and resolved. If any money remains unidentified it should be disbursed in accordance with state law.

Auditee's Response

The Sheriff's full response is included at Appendix E.

6. Commissary Controls and Procedures

The Sheriff's office handling of commissary inventory and sales needs improvement. Revenues from commissary sales totaled approximately $486,586 during the year ended December 31, 2023, including $234,162 in proceeds from e-cigarette sales.

6.1 Inventory

The Commissary Coordinator has not established adequate inventory controls and procedures over commissary items sold to inmates. The Commissary Coordinator orders e-cigarettes and certain personal care products when she visually observes the supply is low. The Commissary Coordinator does not track inventory remaining on hand, conduct periodic physical inventory counts, or reconcile commissary sales to the commissary inventory records. In addition, commissary inventory items are not maintained in a secure location. The Commissary Coordinator stores items in unlocked cabinets in the office breakroom, and an unlocked cart in her office. She did not understand the need to secure inventory, maintain inventory records, and periodically reconcile purchases to sales.

Loss, theft, or misuse of commissary items may go undetected without adequate inventory records and procedures. Detailed inventory records, periodic physical inventories, and maintenance of commissary items in secure locations are necessary to adequately account for commissary items.

6.2 Sales tax

The Sheriff's office does not charge and remit sales tax on commissary sales of e-cigarettes and certain personal care products. The Sheriff indicated he believed the commissary vendor was collecting and remitting sales tax on all commissary sales, including the items purchased by his office.

Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax. Section 144.080, RSMo, requires sales tax collections be remitted to the Department of Revenue (DOR) on a monthly, quarterly, or annual basis, depending on the amounts collected. Obtaining DOR guidance to establish procedures for charging and collecting sales tax on commissary sales would help ensure sales taxes are properly handled and all future sales tax collections are remitted to the DOR.

Recommendations

The Sheriff:

6.1 Maintain detailed commissary inventory records and periodically reconcile commissary records to inventories purchased and sold. In addition, ensure commissary inventory is maintained in a secure location.

6.2 Contact the DOR for guidance on establishing procedures for charging and collecting sales tax on commissary sales, and ensure future sales tax collections are remitted to the DOR.

Auditee's Response

The Sheriff's full response is included at Appendix E.

Appendix A

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: **Harold Chad Anderson**
Bates County Sheriff
6 W. Fort Scott
Butler, MO 64730

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representatives, at the Fletcher Daniels State Office Building 615 East 13th Street, Room 306, Kansas City, MO 64106 at 10:00 a.m. on Tuesday, August 27, 2024, for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 12th day of August, 2024 pursuant to Section 29.235.4(1), of the Revised Statutes of Missouri.

Scott Fitzpatrick
Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by hand delivery on this ___ day of Aug 15, 2024.

Scott Fitzpatrick
Missouri State Auditor

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:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Bates County Sheriff's Office and Bates County Sheriff's Posse for the time period of January 2021 to present.

This request includes, but is not limited to, the following:

1. Any documentation not already provided that demonstrates whether the Bates County Sheriff's Posse is independent of the Sheriff's office.
2. Contracts, vendor bids, vendor invoices and all revenues related to rodeos, fun days, and fun shows.
3. Documentation to support all donations, including but not limited to, Bates County Fair Board, Missouri High School Rodeo Team(s), Adrian Little League Baseball, Adrian South 71 Soccer Association, Amateur Sport Promotion, Bate County Children's Center, Cub Scout Pack 4237, Aqua Bears, Explosion Basketball, Rich Hill 4th of July Committee, Rich Hill Summer Ball Assn., Butler Youth Wrestling Club, Butler Bandits Travel Softball, and Adrian Little League Football.
4. Documentation or photos to show the designs on each of community policing items, including but not limited to promotional items such as hand sanitizer, lip balm, beach balls, pens, etc.
5. Contracts and revenues/expenditures related to mounted patrol.
6. Invoices for all items purchased for Sheriff's Posse volunteers.
7. Record of purchase and sale or other disposition of 4 horses (Peaches, Deets, Stetson, and Clementine).
8. One of the posters purchased from Shelton's Printing, or a copy of the poster.
9. Ad copy or other documentation to indicate and detail the advertisements and promotions purchased from SAC Osage Publishing, Mid-America Live, and Bates Broadcasting Co.
10. Recent photos of the 3 custom saddles, bridles and other tack purchased from Corriente Saddle Company.
11. Recent photos to show the 10 custom saddle pads, purchased from PoliceEquipmentWorldWide.com.

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

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

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: Harold Chad Anderson
Bates County Sheriff
6 W. Fort Scott
Butler, MO 64730

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representatives, at the Bates County Administration Building, 103 West Dakota Street, Room 1, Butler, MO 64730 at 10:00 a.m. on October 29, 2024, for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 4th day of September, 2024, pursuant to Section 29.235.4(1), of the Revised Statutes of Missouri.

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by ________________ on this ___ day of _____________, 2024.

____

Accepted September 4, 2024 by Mr. Anderson's Attorney

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

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. Any documentation in your possession, not already provided to the State Auditor's Office, that demonstrates whether the Bates County Sheriff's Posse is independent of the Sheriff's office.
2. Contracts, vendor bids, vendor invoices and all revenues related to rodeos, fun days, and fun shows for the period of January 1, 2021 to June 30, 2024.
3. Documentation to support all donations, including but not limited to, Bates County Fair Board, Missouri High School Rodeo Team(s), Adrian Little League Baseball, Adrian South 71 Soccer Association, Amateur Sport Promotion, Bate County Children's Center, Cub Scout Pack 4237, Aqua Bears, Explosion Basketball, Rich Hill 4th of July Committee, Rich Hill Summer Ball Assn., Butler Youth Wrestling Club, Butler Bandits Travel Softball, and Adrian Little League Football for the period of January 1, 2021 to June 30, 2024.
4. Documentation or photos to show the designs on each of the community policing items, including but not limited to promotional items such as hand sanitizer, lip balm, beach balls, pens, etc., that were purchased from January 1, 2021 to June 30, 2024
5. Contracts and revenues/expenditures related to mounted patrol from January 1, 2021 to June 30, 2024.
6. Invoices for all items purchased for Sheriff's Posse volunteers from January 1, 2021 to June 30, 2024.
7. One of the posters purchased from Shelton's Printing, or a copy of the poster.
8. Ad copy or other documentation to support and demonstrate the advertisements and promotions purchased from SAC Osage Publishing, Mid-America Live, and Bates Broadcasting Co., from January 1, 2021 to June 30, 2024.
9. The 3 custom saddles, bridles, and other tack purchased from Corriente Saddle Company for inspection. Alternatively, a photo(s) of these items would be sufficient.
10. The 10 custom saddle pads, purchased from PoliceEquipmentWorldWide.com for inspection. Alternatively, a photo of each of these items would be sufficient.

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.

Scott Fitzpatrick
Missouri State Auditor

SUBPOENA

To: Adrian Bank
Hwy. 52 & Sunset
Butler, MO 64730

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representative(s), at the Fletcher Daniels State Office Building, 615 East 13th Street, Room 306, Kansas City, MO 64106 at 10:00 am on Wednesday, June 11, 2024, for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, 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 Shannon Spicer at 301 W. High St., Room 880, Jefferson City, MO 65102, or provided electronically via email to Shannon.Spicer@auditor.mo.gov*, to be received no later than the appearance date listed above.*

ISSUED this 30th day of May, pursuant to Section 29.235.4(1), of the Revised Statutes of Missouri.

Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by email on this 30th day of May, 2024.

<u>EXHIBIT A</u>

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:

> All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Bates County Sheriff's Posse for the time period of January 2022 to April 2024.

This request includes, but is not limited to, the following:

> Bank statements, supporting documentation (copies of cancelled checks, cleared deposits and withdrawals), and signature cards for all accounts held by the Bates County Sheriff and all accounts held by the Bates County Sheriff's Posse for the period of January 1, 2022 through April 30, 2024, including account number 13897 titled to the County of Bates, Bates County Sheriff's Posse.

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 D

Bates County Sheriff
Improper and Questionable Disbursements
Two Years Ended December 31, 2023

	Year ended December 31, 2023	2022	Total
Mounted Patrol			
Boarding, farrier, feed and veterinary services	$ 13,530.00	$ 25,438.47	$ 38,968.47
Horse trailer and trailer wrap	15,000.00		15,000.00
Horses		10,150.00	10,150.00
Horse tack and spurs	721.24	4,780.84	5,502.08
Hat steamer and racks		594.59	594.59
Horse training	1,200.00	425.00	1,625.00
Horse supplements, grooming and other supplies	1,701.65	396.39	2,098.04
Bale feeder	399.00		399.00
	$ 32,551.89	$ 41,785.29	$ 74,337.18
Bates County Sheriff's Posse			
Clothing	$ 1,845.99	$ 3,577.29	$ 5,423.28
Posse medical training and equipment	4,543.37		4,543.37
Saddle pads	1,476.50		1,476.50
Posse badges		1,749.00	1,749.00
Supplies	981.70	168.16	1,149.86
Awards	523.09		523.09
Total Bates County Sheriff's Posse	$ 9,370.65	$ 5,494.45	$ 14,865.10
Community events			
Rodeo contractor and signage	$ 11,220.00	$ 10,840.00	$ 22,060.00
Dodgeball		652.75	652.75
Fun show portable toilet, and advertising	510.00	565.00	1,075.00
Total Community events	$ 11,730.00	$ 12,057.75	$ 23,787.75
Donations			
Adrian Little League Baseball	$	$ 250.00	$ 250.00
Adrian Little League Football		300.00	300.00
Adrian South 71 Soccer Association		250.00	250.00
Amateur Sports Promotion Rich Hill sports calendar	149.00	149.00	298.00
Aqua Bears		250.00	250.00
Bates Co Children's Center	200.00	125.00	325.00
Bates County Fair Board		15,000.00	15,000.00
Butler Bandits Travel Softball		250.00	250.00
Butler Youth Wrestling Club		200.00	200.00
Cub Scout Pack 4237		200.00	200.00
Explosion Basketball		250.00	250.00
Frontier Village Sheriff's office replica	911.62	4,134.34	5,045.96
Hume Fair Association		300.00	300.00
Rich Hill 4th of July Committee		100.00	100.00
Rich Hill Summer Ball Association		250.00	250.00
Total Donations	$ 1,260.62	$ 22,008.34	$ 23,268.96
Parties			
The Alley Tavern - Christmas dinner drink package	$ 300.00	$	$ 300.00
Blackhawk Alley, LLC -VIP private rental - Christmas party	400.00	400.00	800.00
Byrd's Pecan Delights - Christmas party grazing table	625.00		625.00
Shelley K Harrison - Christmas party dinner	2,250.00		2,250.00
Bates Social Event Space - November unspecified event		381.00	381.00
Total Parties	$ 3,575.00	$ 781.00	$ 4,356.00
Grand total	$ 58,488.16	$ 82,126.83	$ 140,614.99

The Sheriff's response includes references to exhibits. However, the exhibit numbering is not sequential. All exhibits provided as part of the response are included. In addition, the Sheriff's response includes a response to a finding 5.1 that is no longer in the report. The revised draft was provided to the Sheriff and his attorney, but it appears they did not revise their response accordingly. Responses 5.2 and 5.3 relate to the audit recommendations 5.1 and 5.2.

June 11, 2026

VIA EMAIL ONLY: moaudit@auditor.mo.gov
Scott Fitzpatrick
ATTN: Shannon Spicer: shannon.spicer@auditor.mo.gov
Missouri State Auditor
301 West High Street, Room 880
P.O. Box 869
Jefferson City, MO 65102

RE: Bates County Audit Response

Dear Mr. Fitzpatrick,

On behalf of the Sheriff's Office of Bates County, Missouri, we are in receipt of the state auditor's office ("SAO") draft report regarding its audit of the Bates County Sheriff's Office (the "Draft Report" or "Report") and write to respond on behalf of the Sheriff.

Summarized, the Sheriff strongly disagrees with several of your opinions, characterizations, and methodology in terms of professional law enforcement practices, but does generally agree with most of the actual recommendations.

Draft Report § 1: Allegedly "Wasted Public Resources" and Expenditures

Respectfully, the SAO's subjective opinions over best professional law enforcement practices are conclusory and without any basis in fact or law. They also disregard that relatively low expenditures have bolstered community trust in law enforcement and made positive, potentially lifesaving differences. To put this into perspective, the Sheriff's Office's expenditures over the audit period were approximately $17,545,471.[1] The total amount of the expenditures characterized by the SAO as wasteful or as "improper or questionable" within the audit period was $146,635, or 0.84% of the total budget, with the mounted patrol accounting for $78,375 of that amount, or 0.45% of the total budget, leaving $68,260, or 0.39% of the total budget in other expenditures questioned. While the small portion of the budget would not excuse wasteful spending if it were present, this does demonstrate the relatively modest amounts that we are dealing with. It is understandably difficult to assign a specific dollar value to building trust in the community, but the Sheriff's position is that this does have

[1] This is calculated based on yearly figures and the assumption that since the audit period appears to have ended in June, half of the year's expenditures were within the audit period.

value, particularly in the context of community relationships themselves providing additional potential resources that can be directed towards things such as search and rescue, and locating missing persons or decedents. Before moving on, we would also note that although the SAO has revised its reports, it has not updated its reports to reflect that during the last week of May, the Sheriff was required to lead a multi-day search and rescue mission where both the Bates County Sheriff's Posse (the "Posse") and his mounted patrol ("MP") had to be called out. This highlights the need for both. www.kctv5.com/2026/05/30/body-found-after-multi-day-search-missing-man-bates-county/?outputType=amp, accessed June 2, 2026.

<u>Community Policing/Community Relationships.</u>

The Sheriff disputes the SAO's mischaracterizations of law and legal conclusions to the effect that his relatively modest use of taxpayer funds for community events somehow "violates the fiduciary trust taxpayers have placed in the Sheriff to spend county funds appropriately." *See* Report at p. 12. This language is obviously problematic, and it is not at all clear what qualifies the author to reach this conclusion. Moreover, the Sheriff's participation in community events is not only legal, but also practical, reasonable, and to be blunt, a good thing.

The primary purpose of the Sheriff hosting and participating in community events is simply to build relationships between the public and law enforcement. While hard dollar figure results from community outreach are not always possible to measure, the Sheriff believes, consistent with applicable federal and Missouri law, that such involvement increases the likelihood of the Sheriff's Office receiving tips, reports of crimes, and other help as a result of this community outreach. Professional law enforcement officers understand that people are often reluctant to come forward, making trust and cooperation key. Especially in the context of anonymous or confidential informants, and in the event of a matter being submitted for potential criminal charges, that trust is even more important because due process will generally not allow material witnesses to stay confidential, and they must be willing to testify. Based on the experience and training of the professional law enforcement officers within the Sheriff's Office, it is no stretch to believe that community outreach has helped people feel more comfortable reporting potential criminal activity. This is, to be sure, again difficult to place a dollar amount on, but it seems pretty likely that any witness listed in any felony or misdemeanor Information may have at least heard of some community involvement, and this likely had at the very least a positive, even if indirect, impact. In contrast, the benefits of community outreach were accomplished within the audit period at an extremely modest cost: the SAO reported a little under $24,000 spent on these events, including the rodeos, over the audit period of two and a half years. There is no straight-faced argument that this is an inordinate expenditure, especially when viewed in context.

It should also be noted that the Draft Report cites a DOJ publication's definition of "community policing," and suggests expenditures that the Sheriff labeled that way are proper only if they fit that definition. Report at p. 15. But that definition is neither Missouri law nor federal law. And even if DOJ guidance were relevant (and it is not at all clear why it would be), it still supports the Sheriff's position: DOJ grant personnel have indicated that several rodeo participants would qualify as community partners for a community-policing grant. More importantly, these events strengthen relationships that directly support law enforcement. If DOJ guidance matters (and respectfully, the DOJ has no authority nor expertise to set policies or standards for professional law enforcement standards, and especially in this context), it also confirms what almost any law enforcement professional would quickly see: that these events have a legitimate and valuable law enforcement purpose.

The other category of community policing expenditures discussed in the Draft Report was donations. While the Sheriff agrees with the recommendation to ensure that all expenditures are necessary and prudent, he disagrees with any conclusion that past donations were illegal or improper. Both the Sheriff and the county officials attacking the legality of donations obtained legal opinions, and *all three opinions* supported the legality of this action. *See* enclosed Exhibits 1-3.

Next, it should be noted that teenagers sometimes drink and drive on prom night, and that unsafe drivers can kill people. With that in mind, the Sheriff respectfully disagrees with the assertion that county property was improperly used for personal purposes merely because his son got a ride to prom in a police car; in reality, all that happened is that his son was not excluded from community outreach, and deputies have given multiple students rides to prom on request for around 18 years. This is little different than any other program intended to discourage dangerous behavior, and to encourage teenagers to feel comfortable contacting law enforcement. In short, it is a positive thing to have a law enforcement presence during prom season, and this certainly reduces the risks of drunk driving and other crimes.

In sum as to this part, the SAO's conclusion that the Sheriff violated a fiduciary duty by supporting community events or other community policing efforts is legally and factually wrong. It ignores the value of public relations in law enforcement. That said, the Sheriff does agree with the SAO's recommendation that future expenditures, including for donations and other community policing efforts, should be carefully considered for their law enforcement purposes.

<u>Mounted Patrol</u>

The Sheriff disagrees with the conclusion that the MP is an improper use of funds with "no apparent law enforcement purpose." *See* Report at p.7. Notably, over half of the expenditures from the audit period that the SAO calls improper or questionable (by dollar amount) were to support the MP. *See* Report at Figure 2. The SAO states that the Sheriff spent over $110,000 to establish and maintain the MP, starting in July 2021. Report at p.7. This covered start-up costs and a little over *four years*' maintenance.

To dismiss the MP as having "no apparent law enforcement purpose" or as being "used mainly for ceremonial and community events" is unfair and wrong. *See* Report at p. 7 (referring to the MP's horses as having "no apparent law enforcement purpose" and/or as being "rarely" used for law enforcement purposes) and at p. 3. The MP has already saved a life as part of a search and rescue operation when a mounted officer found the elderly man they were looking for, who had broken his leg and ankle. The MP participated in an out-of-county search and rescue operation, as well as smaller uses that were not specifically documented. The Kansas City Police Department also requested the MP help with crowd control at the FIFA World Cup this summer. See enclosed Exhibit 7. If you were not aware, this is a huge event, and *multiple* federal and state and local law enforcement offices and agencies, including this Sheriff's Office, are working together on this massive *community* event.

And after the Draft Report was provided to the Sheriff, the MP was needed for an additional search, leading to the discovery of a man who appears to have killed himself in Bates County. The MP is a prudent use of the Sheriff's discretion over his use of funds, and the Draft Report merely attempts to substitute the SAO's judgment with the Sheriff's judgment.

The SAO report also implies that the MP's attendance at community events lacks a substantial law enforcement purpose and is "mainly for ceremonial and community events." *See* Report at pp. 3, 7. The fact that there are more community events where the horses can serve a less-important purpose does nothing to take away from their more direct safety and law enforcement purposes such as search and rescue missions. In fact, their use for community events can help ensure horses and riders remain ready for deployment.

The report's complaints about the MP trailer are also unjustified. The MP trailer has been used to return several farm animals to their owners, which not only provides a valuable public service to those owners, but also keeps others safe. It has also been used to remove a horse from the interstate median that was likely to put travelers in danger. The report comments that the SAO had trouble finding the trailer, but that appears to simply be due to the fact that at the time the SAO attempted to locate it, it was near the place where it was to be wrapped. *See* Exhibit 9.

In sum, the MP provides a valuable tool to law enforcement. Establishing and maintaining it was and is a valid and prudent use of the Sheriff's broad discretion as "chief law enforcement officer" of Bates County. *See* Mo. Rev. Stat. § 57.010.

<u>Bates County Sheriff's Posse</u>

The Sheriff disagrees with the conclusion that previous expenditures related to the Posse were improper, but agrees with the recommendation to obtain a written agreement with the Posse.

The Posse serves to help the Sheriff in times of increased need for manpower. This includes search and rescue missions and major emergencies, such as if a tornado like the Joplin Tornado were to hit populated areas of Bates County. Bates County is fortunate that there have been so few times that the Sheriff has needed to call on the Posse, but this does not mean that they are not valuable. One might as well say that a storm shelter is useless merely because it is not used very often. Meanwhile, the Sheriff's total costs for the Posse (less than $17,000 over the audit period) are a fraction of the cost of hiring even one more deputy, but having one more deputy would not provide nearly the same level of preparedness for a major emergency or a search and rescue effort as the Posse provides.

Just last month (after the Draft Report was provided to the Sheriff) the Posse participated in the same extensive search and rescue mission as the MP. On the last day of the search, the Sheriff assembled a team of nearly 30 people, including Posse members, to cover a 1400-acre search area. The Posse was instrumental in quickly covering a large area.

The Draft Report seems to question every expense and allocation of equipment for the Posse, and there is little point in continuing in the same vein, but a few specifics will be addressed. Essentially, the Posse serves an important emergency preparedness purpose and if Posse members did not have some kind of uniform and "realistic badges and Bates County Sheriff's office identification" (*see* Report at p. 9), then in a major emergency, or as needed in another setting such as crowd control, they would be more difficult to identify. As to the safety equipment allocated to the Posse and money spent on training, it is unrealistic to expect even the most civic-minded volunteers to fund equipment or training, and it also is not clear how this is substantially different than, for example, providing free CPR training to community volunteers. Posse members need to be equipped and trained to help effectively and safely, or they will be unhelpful, or worse, a liability. And the equipment allocated to the Posse is still county property that the Sheriff can reallocate anytime, so it is unclear why such allocations would be concerning.

Finally, the Posse saddle pads that the SAO could not locate are stored in the MP trailer because they are only needed when the horses are used.

<u>Employee Events</u>

The Sheriff agrees with the recommendation to adopt a food purchase policy, but disagrees with the conclusion that previous purchases were improper.

Over the two-and-a-half-year audit period, the Sheriff's Office, which had annual expenditures of over $6,000,000 each year, spent $4,356 on employee events, according to the Draft Report. Such events serve important functions for morale, building community among the Sheriff's employees, and encouraging employee longevity and excellence through years of service and merit awards. While neither the Sheriff nor the SAO has a way of quantifying this in terms of dollar values, it is at least reasonable to believe that these events improve retention and morale and are well worth the expense.

Summarized response by subsection:

§ 1.1 The Sheriff respectfully disagrees with the characterizations and conclusions contained in this section, the bulk of which is addressed above, but does agree with the recommendation to review practices, including those not already the subject of the Sheriff's written policies or agreements, in order to potentially generate additional documentation, such as further policies or agreements.

§ 1.2 The Sheriff respectfully disagrees with the characterizations and conclusions contained in this section, the bulk of which is addressed above. The Sheriff also disagrees with this part of the report to the extent that it suggests the SAO or even the U.S. Department of Justice are qualified to render opinions on the efficacy of community policing in Bates County, Missouri. However, the Sheriff does agree with the recommendation to consider generating additional documentation of community policing goals, potentially via additional written policies or agreements.

<u>Draft Report § 2.1: Law Enforcement Cash Reserves</u>

The Sheriff respectfully disagrees with the SAO's recommendation to defund law enforcement in Bates County by eliminating or reducing the law enforcement sales tax rate.

In this part of the report, the SAO primarily complains that because the Sheriff did not spend all the law enforcement sales tax proceeds, *spending too little*, the citizens of Bates County now have a cash reserve. Respectfully, complaining about having a cash reserve makes little sense. However, on top of that, the SAO also, somehow, accuses that the Sheriff spent *too much* of those exact same funds, such as through the MP, Posse, and community events.

There is no obvious basis for the SAO to offer opinions that specific laws should be changed, or to render opinions on professional law enforcement practices or appropriate law enforcement sales tax rates, period. Respectfully, this again appears to simply be the SAO offering their personal and purely subjective opinions. Even if this was appropriate, the SAO's belief that it would be a good idea to defund law enforcement also flies in the face of Missouri public policy at both the legislative and executive level, which places a huge emphasis on community outreach and local control of community resources.

Summarized response by subsection:

§ 2.1 The Sheriff respectfully disagrees with the characterizations and conclusions contained in this section, the bulk of which is addressed above, but does agree that it is appropriate to consider potential revenue and expenditures, and further submits that the accumulated cash balance is part of the budget process and that there is approximately four (4) months of operating cash to support approved expenditures.

§ 2.2 The Sheriff interprets this to primarily be directed to the Commission, but would add that law enforcement sale revenues are placed in a separate fund and the only expenditures are for law enforcement purposes.

Draft Report § 3.2: Compensatory Time (FLSA)

The Sheriff agrees with this recommendation to create a policy that will ensure overtime is paid correctly, including that the Sheriff's employees are categorized as law enforcement or non-law enforcement employees correctly. He respectfully disagrees with the implied legal conclusion that jailers are not law enforcement personnel for purposes of FLSA overtime requirements.

During the audit and based on the advice of the SAO, the County Clerk "corrected" pay for jailers, giving backpay for overtime based on their supposed status as non-law enforcement employees. Under the FLSA, overtime for jailers is paid in the same manner as overtime for deputies. 29 U.S.C. § 207; 29 C.F.R. § 553.212; *Baker v. Stone Cnty., Mo.*, 41 F. Supp. 2d 965, 991 (W.D. Mo. 1999)(finding that jailers are law enforcement employees for purposes of FLSA overtime requirements). The Bates County Clerk issued payment of $37,927 in backpay to jailers and other non-commissioned employees. While the other non-commissioned employees were entitled to this money, a large portion of the $37,927, likely a majority, was given to jailers and was therefore arguably paid out in error.

The Sheriff discussed this issue with audit manager, Shannon Spicer, and the Bates County Clerk and provided them each with the legal authorities cited above. But they discounted or refused to consider this authority, and the clerk issued backpay to jailers that those jailers were potentially not entitled to. The Draft Report blames the Sheriff for the need to pay out this $37,927 when a large portion of that money was instead issued based on legal advice from the SAO. To be blunt, it is not at all clear what long term liability exposure these acts may have created.

The Sheriff's policy to ensure compliance with 29 U.S.C. § 207 and 29 C.F.R. § 553.212 will include treating jailers the same as deputies for purposes of overtime unless they are assigned to other duties, such as working as 911 dispatchers, for 20% or more of their work hours.

Summarized response by subsection:

§ 3.1 The Sheriff interprets this to primarily be directed to the Commission, but would add that it is the Sheriff's understanding that the Clerk has already sought guidance from CERF and implemented their recommended changes.

§ 3.2 The Sheriff respectfully disagrees with the characterizations and conclusions contained in this section, the bulk of which is addressed above, but does agree that personnel policies should be consistent with the FLSA and other laws to the extent applicable. The Sheriff further understands the County has hired a human resources firm to review such policies and procedures.

§ 3.3 Time advances have been discontinued, and the Sheriff understands that almost all time arguably owed by employees who had time advanced has been recovered.

§ 3.4 This recommendation appears to be directed solely at the Clerk.

Draft Report § 4: Concealed Carry Weapon Permit Fees

§ 4 The Sheriff has discontinued the free CCW permit process and will assess fees pursuant to statute.

Draft Report § 5: Accounting Controls

§ 5.1 Budgetary restraints restrict hiring additional staff to segregate duties as recommended, but the Sheriff's Office will continue reviewing office financial records and may revisit if a future budget allows.

§ 5.2 The Sheriff agrees with this recommendation and has assigned personnel to oversee bond money disbursement.

§ 5.3 The Sheriff generally agrees with this recommendation and has purchased new computer software to assist in accomplishing this goal.

Draft Report § 6: Commissary Controls

§ 6.1 The Sheriff agrees with this recommendation and is working with the Commissary company and staff to implement.

§ 6.2 The Sheriff generally agrees with this recommendation, has contacted DOR, and is working to update and clarify tax status. Additionally, the Sheriff's Office is working with the Commissary company to make sure all sales tax is collected and remitted to the State.

Per the Sheriff, please consider and include this response in your final Audit Report.

Cordially,

KECK & PHILLIPS, L.L.C.

/S/Damon S. Phillips
Damon S. Phillips

KECK & PHILLIPS, LLC

EXHIBIT 1A

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Investigator:
Marla Miller

3140 E. DIVISION ST.
SPRINGFIELD, MO 65802

July 26, 2023

Via Email: clerk@batescountymo.gov
Bates County Clerk

RE: Sheriff v Commission

Dear County Clerk:

Please forward this letter to the Bates County Commission.

This firm and undersigned counsel represent the duly elected Sheriff of Bates County, Missouri.

As you know, the Presiding Commissioner has made comments in essence accusing the Sheriff of utilizing that office's resources beyond the scope permitted by the Missouri Constitution. The Commission appears to have taken the same view as the Presiding Commissioner. In any event, you have refused to process invoices for several matters on that supposed basis.

You were previously provided with an April 25, 2023 memorandum by separate legal counsel for the Sheriff, which generally explained that all the complained of expenditures fall squarely within the confines of the Missouri Constitution, which allows for the use of funds to promote the general welfare of the public. *See e.g. Neuner v. City of St. Louis*, 536 S.W.3d 750, 767 (Mo. App. 2017)("For an expenditure to have a public purpose it must be for the support of the government or recognized objects of government, or to promote the welfare of the community."). There is little point in belaboring the (correct) points made in that memorandum. However, there also seems to be some confusion over the Commission's role in law enforcement matters and the Sheriff's authority to operate that office.

As private individuals, you are entitled to your opinions and can disagree with the Sheriff's policy determinations. In your official capacity, the Commission's authority in relation to the Sheriff is generally limited to that described in Missouri statutes concerning County Budget Law (§§ 50.525-50.750). Your website is, perhaps, not entirely accurate in describing Missouri law, but it does correctly reflect that "[t]he Commission does not have authority over all elected officials and their departments, only budgetary review." https://batescounty.net/commission-news/ (as of July 26, 2023). In short, your duty in relation to the Sheriff is merely to adequately fund the Sheriff's office,

EXHIBIT 1B

and you have no authority to control that office. *See generally*, Chapter 57; *see also State ex rel. Vescovo v. Clay Cty*, 589 S.W. 575 (Mo. App. 2019). Viewed through that lens, your dispute is not really about your Missouri Constitutional law theories, or even about the substance of the Sheriff's discretionary decisions. Rather, it is about who controls the resources that have already been allocated to perform the duties of that office. Simply put, the division of authority in this matter is fairly straightforward, and it is the Sheriff, not the Commission, who serves as the conservator of the peace for the people of Bates County. § 57.110, RSMo. The Sheriff's statutory duties, and not yours, also include operating the jail, patrolling and policing county roads and highways, committing offenders to jail, enforcing public safety laws, providing courthouse security, and serving process. *See e.g.* §221.020 and Chapter 57. In law enforcement matters, including things like search and rescue, crowd control, traffic safety, informing the public about child abuse, and so forth, it is the Sheriff, and not the Commission, who acts for the County, and you quite simply are not in charge. "***The sheriff is only responsible to the voters...[and] [a]s chief law enforcement officer of the county [the sheriff's] policies become the policies of the county.***" *Overbay v. Lilliman*, 572 F.Supp. 174, 176-7 (8th Cir. 1983). In short, the Commission's narrow authority to approve budgeted expenditures cannot be used as a means of usurping the Sheriff's broader authority to determine how to use the resources available to that office.

Respectfully, you have attempted to substitute your judgement for the Sheriff's about matters that are well within the authority of the Sheriff. This includes that you have, without legal justification, selected some invoices for budgeted expenditures as not being worthy of payment. As of the date of this letter, this includes that you have refused to satisfy invoices for safety training in *how to stop people from bleeding to death*, medical kits, and marked saddle pads. You have also refused to process payment to the Children's Center for pinwheels that the Sheriff's office used to inform the public about *child abuse awareness*. As serious and disturbing as those actions are, perhaps what best illustrates the nature of this dispute is that you have even refused to process reimbursing staff person Amy Fishbaugh for lemonade. Even assuming that your overreaching is merely a good faith misunderstanding of your authority, it is still frankly surprising that you have the time and determination to focus on depriving staff of lemonade, in contrast to coffee or other beverages. In any event, none of these expenditures are outside the scope of the budget, and all of them are well within the discretion of the Sheriff.

When the Commission tries to set law enforcement policies, for example, by interfering with the Sheriff training deputies and volunteers how to save lives by stopping someone from bleeding to death, it is fair to say that this creates some legal tension. Fortunately, the law is clear that when two governmental units assert competing claims, courts must construe their respective delegated powers together and harmonize them. *See Kirkwood v. Sunset Hills*, 589 S.W.2d 31, 42 (Mo.App. 1979). Local governments only possess the powers expressly delegated to them, and those necessarily or fairly implied. *Premuim Standard Farms, Inc. v. Lincoln Tp. of Putnam County*, 946 S.W.2d 234, 238 (Mo. banc 1997). To put it mildly, it seems very unlikely that the legislature intended for the Commission to control the Sheriff's operation of that office, especially under these facts.

Please feel free to contact the undersigned with any questions or concerns.

Cordially,

KECK & PHILLIPS, LLC

/s/Damon S. Phillips

DP/mm

Damon S. Phillips

EXHIBIT 2A

MEMORANDUM

April 25, 2023

TO: Sheriff Chad Anderson

FROM: Daniel J. Haus, Attorney at Law

SUBJECT: Article VI, Section 25, Missouri Constitution

Following our recent discussion and your email concerning certain expenditures made by your office and you request I look into how those expenditures fit within the framework of Article VI, Section 25 of Missouri's Constitution.

The relevant portion of Article VI, Section 25 is as follows:

> **No county, city or other political corporation or subdivision of the state shall be authorized to lend its credit or grant public money or property to any private individual, association or corporation...**

While there are exceptions contained within this Section, those exceptions do not apply to the expenditures discussed and have been omitted from the above paragraph of the section. Although the exceptions contained in this Section do not apply, there is one significant exception that is supported by longstanding case law. That exception is referred to as the "public purpose" exception. Generally, the public purpose exception has been litigated in a much larger context than the expenditures made by your office, such as bridges, airports, parks, electric utilities and the like. That does not by any means suggest that the expenditures made by your office are outside of the public purpose exception.

Missouri courts adhere to a broad interpretation of public purpose which essentially means that some benefit or convenience flows directly to the public. See *State ex rel Wagner v. St. Louis Port Authority,* 604 S.W. 2d 592, 597 (Mo.banc 1980) Even if benefits accrue to private persons, government action does not lose its public character as long as the primary purpose is public. *Id.*

The question then becomes whether the expenditures we discussed were for a public purpose. The vast majority of the expenditures were for various youth programs throughout the county. You indicated your office supports these youth programs as part of your broader community policing or community outreach efforts including those that encourage activities for youth that build character, provide activities that promote healthy decisions versus drug use and illegal activities, and to continue the culture and lifestyle of rural America like farming and livestock. You also said the financial support is intended to help with entry fees or program fees to help make these programs available to the kids who otherwise could not afford to participate.

It is my belief that the expenditures on youth programs would fall within the public purpose given the benefit to the community at large.

EXHIBIT
2B

To: Sheriff Chad Anderson
April 25, 2023

You also indicated an expenditure for the community rodeo for which the tax paying public was invited free of any admission charge. Given the benefit to the public in your community outreach and community policing efforts, I believe this too would fall within the pubic purpose exception.

Lastly, and significantly, you provided an invoice for funds paid to the Children's Center for a pinwheel fundraising event to raise awareness of child abuse. In that the Children's Center provides free services to the Sheriff's Office for the benefit of the public and, raising awareness of child abuse would seem to certainly serve a public purpose, particularly coming from a law enforcement agency, I believe this expenditure would also fall within the public purpose exception.

In conclusion, based upon my research and my interpretation of the case law, your expenditures fall within the public purpose exception as there appears to be a clear public benefit to each. Certainly given the public benefit, the public manner in which the expenditures were made, including approval by the county commission, absent a contrary opinion from an appellate court, in my opinion, there is no misuse of public funds.

Daniel J. Haus

EXHIBIT 3

Chad Anderson <sheriff@batescountysheriff.com>

Spending funds on the rodeo

1 message

Lynn Ewing <lmeiii@msn.com> Wed, Jun 25, 2025 at 1:06 PM
To: sheriff@batescountysheriff.com
Cc: hugh.jenkins@prosecutors.mo.gov, Audrey Underwood <Audrey.Underwood@prosecutors.mo.gov>

Sheriff Chad Anderson:

I spoke with Hugh Jenkins last week. I have read the court cases cited in your attorney's opinions and I have reviewed the budget laws and the Missouri Constitution.

The short answer: The Commission approved your budget which included the rodeo project. Having done so, the Commission does **not** have a "line item veto" to decide not to pay your invoices for the costs of the rodeo project. The budget laws governing Bates county in Missouri and the Missouri Constitution and court decisions are clear that because the rodeo was included in the budget as approved, you are free to spend the money so long as the expenditure can be deemed as supporting the public good as part of a community policing project.

I agree with your counsel's opinion. I do not believe the rodeo project is an improper expenditure of taxpayer dollars under the Missouri Constitution. That said, a member of the public could challenge your use of the funds in court, but it is my opinion the issue would be decided in your favor.

Regards.

EXHIBIT
7

On Thu, Mar 27, 2025 at 8:01 AM Campbell, Shawn M <Shawn.Campbell@kcpd.org> wrote:

Sheriff Anderson,

I hope this message finds you well. As we prepare for the upcoming FIFA World Cup tournament scheduled for June and July 2026, we recognize the importance of collaboration to ensure the success and safety of this major event. Given the scope of the tournament, mutual aid will be essential, particularly in the area of Public Order Units.

We believe that mounted patrol officers, trained in crowd control, would be a valuable asset during this event. It has come to our attention that your organization has a mounted patrol unit with expertise in this area. Could you kindly confirm whether this information is accurate and if these personnel might be available to assist during the World Cup?

We understand that this request involves significant logistics, and we are happy to discuss the details further. Please do not hesitate to reach out with any questions or additional information that may assist in facilitating this partnership.

Thank you for your time and consideration. We look forward to your response.

Best regards,

Shawn

Shawn Campbell

Captain

Events & Special Projects

(816) 329-0770

CITY OF ARCHIE
SERVICE AND PROTECTION
ESTABLISHED 1952
POLICE

POLICE
ARCHIE, MISSOURI

204 S. Main St.
Archie, Mo. 64725
Phone: 816-430-5242
Fax: 816-670-6093

EXHIBIT
9

05/12/2026

To Whom It May Concern,

I am writing regarding the Bates County Sheriff's Office horse trailer being parked within the corporate city limits of Archie, Missouri.

I observed the horse trailer parked behind 103 NW Outer Road in Archie, Missouri. The trailer was parked at that location for approximately two (2+) weeks while awaiting graphics to be installed by WRG Signs and Wraps.

While the horse trailer was parked there, I placed a "Junior Police Officer" sticker on the trailer's 5th wheel post as a lighthearted prank directed at Sheriff Anderson.

While conducting traffic enforcement, Sheriff Anderson was observed driving to the location of the horse trailer. Sheriff Anderson and I had a brief conversation regarding the trailer and how he was checking to see how much longer it was going to be since he hadn't heard anything from WRG.

Sheriff Anderson contacted me and asked if I would drive by to see whether the trailer had been wrapped or if work had begun. I advised Sheriff Anderson that the trailer was still in the same location and that no work appeared to have started.

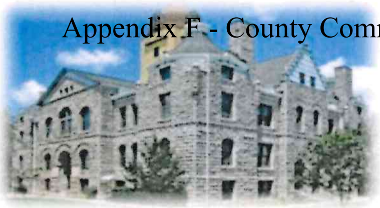
Shortly afterward, Sheriff Anderson responded and recovered the trailer because of WRG's inactivity. I also recommended that Sheriff Anderson contact Bennett Signs in Harrisonville, Missouri, regarding decaling the trailer.

This letter is intended to clear up any confusion or concerns regarding the Bates County Sheriff's Office horse trailer and to confirm that the trailer was parked at the WRG sign and graphics shop in Archie, Missouri, during that time.

If you should need any further communication, please feel free to contact me.

Sincerely,

Trevor S. Zaharsky
Chief of Police



Office of the Bates County Commission

1. Memorandum to: Missouri State Auditor
2. Date: 8 June 2026
3. Subject: Response to Bates County Sherif Audit

Mr. Fitzpatrick,

The Commission's response in reference to the Bates County Sheriff Office Audit

1.1: The Commission will work with the Sheriff to ensure any payments for the MP or the Posse are for Law Enforcement purposes only and an agreement has been agreed to in advance. Strong emphasis on Law Enforcement purposes only. Also determine if the Commission should fund any aspects of the volunteer Posse program. The Commission will produce a written policy regarding any food purchases for events that has a specific Law Enforcement function, if not it will not be paid for with tax payer funds.

1.2: Review any policies or procedures the Sheriff Office outlining the Community Policing Program to make certain it follows the DOJ guidelines.

2.1 and 2.2: Reference, the funding needs for the Prosecutor Office and Juvenile Office will take most of the funds that are budgeted for 2026 in the ½ cent sales tax. A new funding source was created for these funds away from the Sheriff budget.

3.1: The Commission will work with the Sheriff to put a policy in effect if the County wants to continue allowing the Sheriff to fund additional CERF payments. Documentation will be sent to CERF, and information will be added to the Minutes. CERF has been contacted, and the reporting will be corrected on January 1, 2027.

3.2: Personnel Policies have been rewritten to provide guidance and clarification to various Federal Policies to protect employees' rights under the law. Both the County Clerk and the Commission, when needed, will ensure the Policies are being followed. We will ensure employee payroll is consistent with these policies.

3.3: The practice of providing pay advances has been discontinued and will not be allowed in the future.

3.4: The County Clerk will continue to maintain centralized leave records for all employees. They will not be maintained independently by the organization.

John Gray	Jim Wheatley	Trent Nelson
Northern Commissioner	Presiding Commissioner	Southern Commissioner