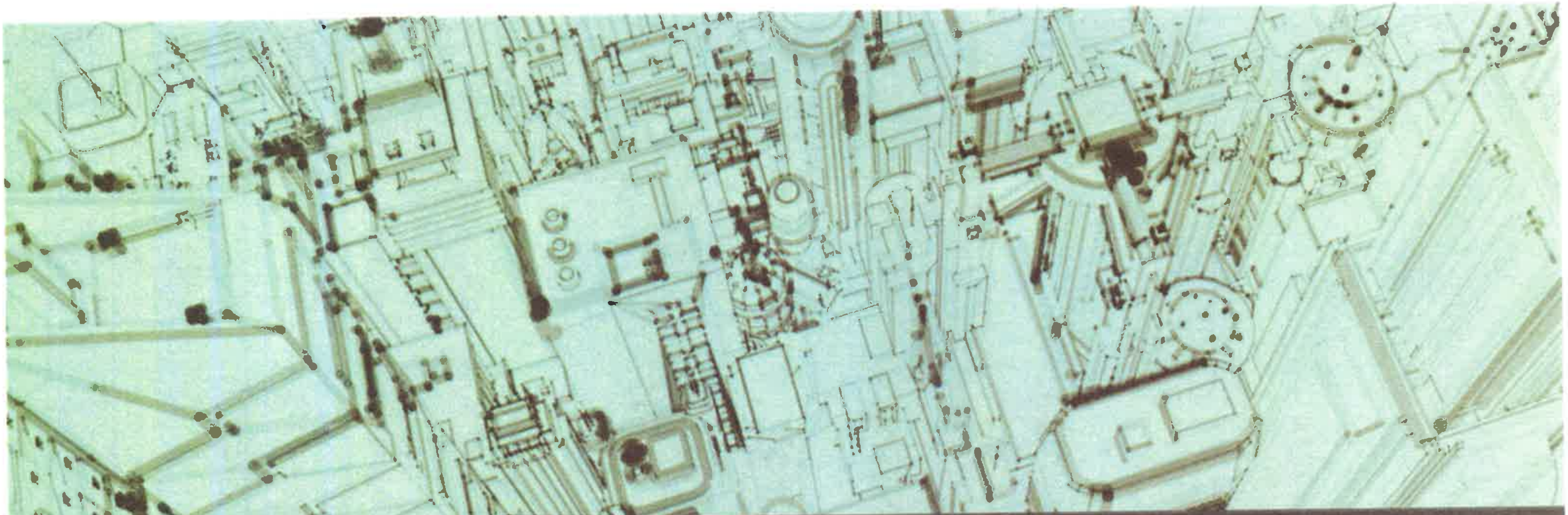


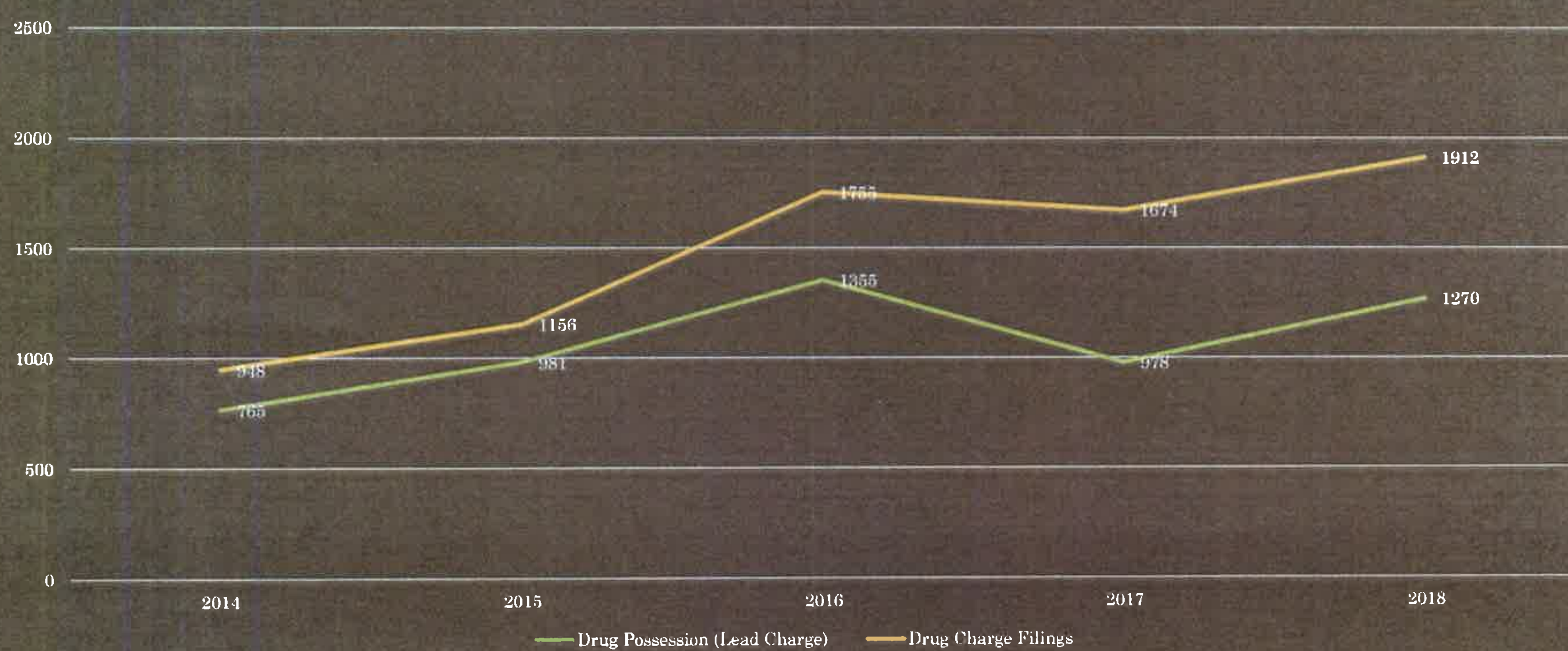
Jackson County COMBAT

County Executive's Office Presentation in Response to Prosecuting Attorney's BKD Report

Jackson County Felony Filings

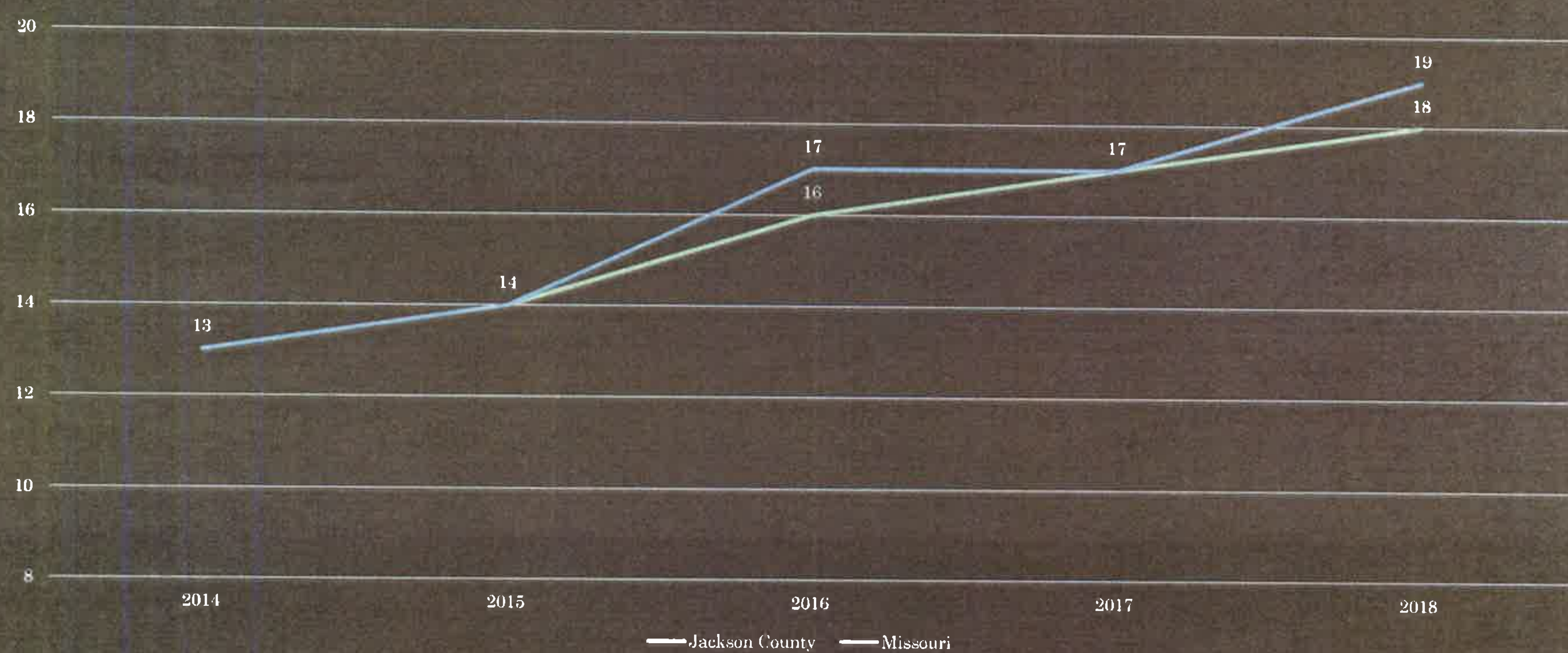
Source: 16th Circuit Court, Annual Statistical Reports

Jackson County Felony Drug Filings



Source: 16th Circuit Court, Annual Statistical Reports

Jackson County Drug Overdose Deaths
(per 100,000)

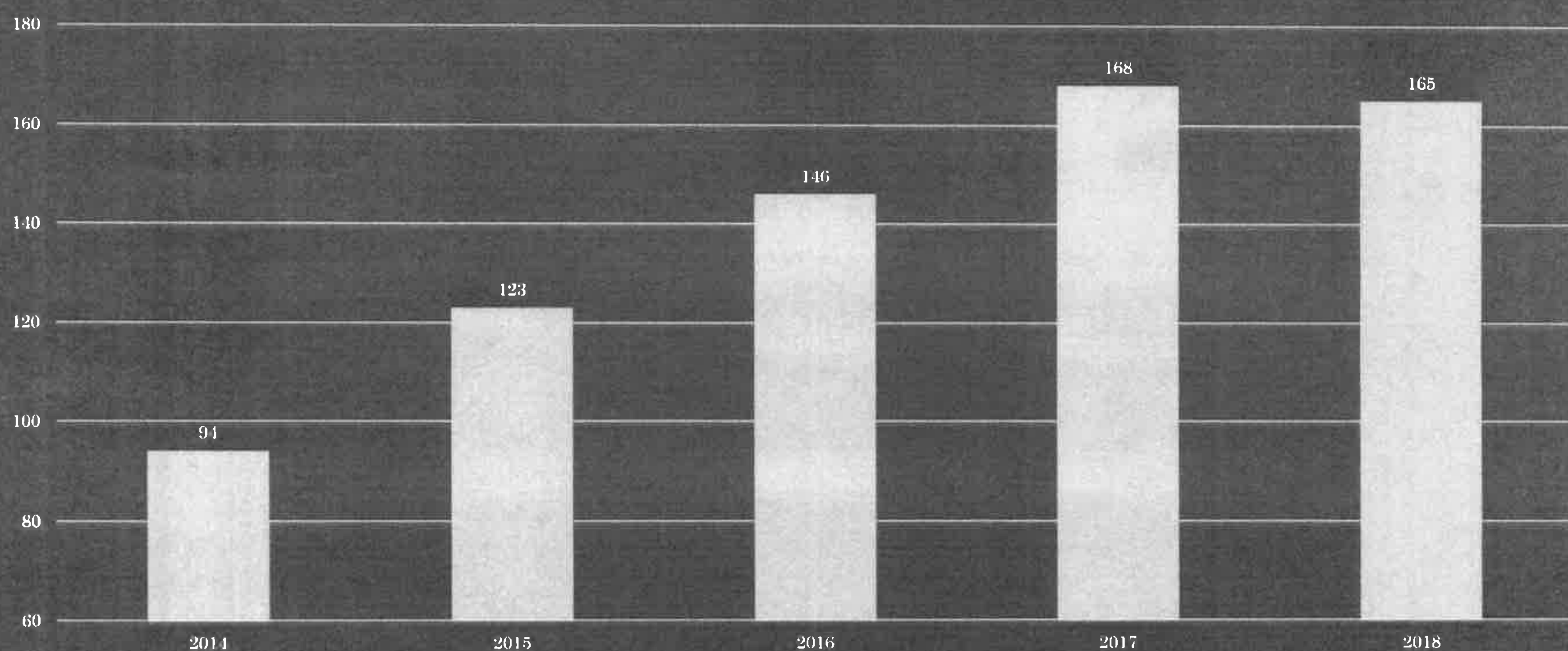


Source: CDC, Compressed Data File (County-level data)

Importance of Objective Analysis

Drug Prevention

Jackson County Murders
(Annual Total)



Source: Missouri Highway Patrol, Uniform Crime Reports

Importance of Objective Analysis

Violent Crime

BKD Report Summary

- All money spent was appropriated by the Legislature
- All money spent was pursuant to a lawfully executed contract
- No finding that any state or county law was violated
- Report contains numerous inaccuracies, omissions and misleading statements
  - This presentation will highlight 10 such errors, omissions and misleading statements

Source of Information

BKD Report

"We placed reliance upon information provided to us for evaluation or through conversations and interviews with relevant parties."[1]

"This relationship does not constitute a conflict of interest as this scope is a permissible **nonattest service (. . .)**"[2]

attest verb

at·test | \ ə-ˈtest \

attested; attesting; attests

Definition of *attest*

transitive verb

1 a to affirm to be true or genuine

specifically : to authenticate by signing as a witness

1. BKD Report Cover Letter & BKD Response Letter 9/25/19
2. BKD Response to RFQ, Pg. 20

Who was **not** contacted or interviewed?

- Anti-Drug/COMBAT Commission
  - Current or former members
- County Legislature
  - Current or former members
- County Executive
  - Current or former
- County Counselor
  - Current or former
- Legislative Auditor
  - Current or former
- COMBAT Director
  - Former
- Any Outside Agency
  - Current or former
- Prosecuting Attorney
  - Current or former

Errors, Omissions and Misleading Statements

Example #1

BKD Report:

"There has been a pattern of COMBAT funds being spent without the approval or knowledge of COMBAT management during the Scope Period."

Actual:

Errors, Omissions and Misleading Statements

Example #1

BKD Report:

~~"There has been a pattern of COMBAT funds being spent without the approval or knowledge of COMBAT management during the Scope Period."~~

Actual:

COMBAT management, during the period of the report, was not contacted to determine if this is an accurate statement, but more importantly:

- No statutory requirement
- No County ordinance requirement
- No Legislative Resolution nor Executive Order

Errors, Omissions and Misleading Statements
Example #2

Type	Current Department Code	Title	2016	2017	2018
Car Allowance	1001-County Executive	Chief of Health Services	$ 315.30	$ 630.60	$ 52.55
Car Allowance	1001-County Executive	Chief of Staff	222.33	-	-
FMV-Use	1001-County Executive	Chief of Staff	334.56	655.12	16.82
Gas	1001-County Executive	Chief of Staff	29.04	60.88	1.45
Phone Allowance	1001-County Executive	Chief of Staff	44.17	50.80	-
Car Allowance	1001-County Executive	Executive Assistant	43.53	-	-
Car Allowance	1001-County Executive	Executive Assistant	-	60.00	20.00
Phone Allowance	1001-County Executive	Executive Assistant	-	33.00	-
Phone Allowance	1001-County Executive	Executive Assistant	6.38	-	-
Car Allowance	1221-Office of Communications	Communications Liaison	3,060.20	2,118.60	-
Car Allowance	1605-Park Safety and Interpretation	Director of Corrections (Now Chief of Park Safety)	8,800.00	9,600.00	-
Phone Allowance	1605-Park Safety and Interpretation	Director of Corrections (Now Chief of Park Safety)	660.00	55.00	-
Car Allowance	2701-Corrections Department	Director of Corrections	-	-	5,000.00
Phone Allowance	2701-Corrections Department	Manager of Detention Operations	-	247.50	137.50
Car Allowance	4101-Prosecuting Attorney	Chief of Operations	1,034.50	996.00	1,543.80
Phone Allowance	4101-Prosecuting Attorney	Chief of Operations	113.36	109.56	109.56
Car Allowance	4101-Prosecuting Attorney	Director of Communications	2,760.00	2,760.00	2,760.00
Phone Allowance	4101-Prosecuting Attorney	Director of Communications	303.60	303.60	303.60

Errors, Omissions and Misleading Statements
Example #3

BKD Report:

2018 Actual Revenue:

- $26,372,034

2018 Over/Under Budget

- $2,758,034

2018 Percent Over/Under

- 11.7%

Actual:

Errors, Omissions and Misleading Statements
Example #3

BKD Report:

~~2018 Actual Revenue:~~

- ~~$26,372,034~~

~~2018 Over/Under Budget~~

- ~~$2,758,034~~

~~2018 Percent Over/Under~~

- ~~11.7%~~

Actual:

2018 Actual Revenue:

- $24,626,625

2018 Over/Under Budget

- $1,012,625

2018 Percent Over/Under

- 4.3%

Errors, Omissions and Misleading Statements
Example #4

BKD Report:

"If sales tax collections in 2019 are the same as in 2018, there will be an additional **$2.2 million** in excess revenue. Added to the undesignated fund balance of $1.56 million (above), there would be a **$3.76 million** fund balance in FY20."

Actual:

Errors, Omissions and Misleading Statements

Example #4

BKD Report:

~~"If sales tax collections in 2019 are the same as in 2018, there will be an additional **$2.2 million** in excess revenue. Added to the undesignated fund balance of $1.56 million (above), there would be a **$3.76 million** fund balance in FY20."~~

Actual:

If sales tax collections in 2019 are the same as in 2018, there will be an additional **$470,000** in excess revenue. Added to the undesignated fund balance of $1.56 million (above), there would be a **$2.03 million** fund balance in FY20.

Errors, Omissions and Misleading Statements

Example #5

BKD Report:

“Under White, there have been nominal budget increases, continuing significant amounts over budget, **up to 11. 7% in 2018**.”

Actual:

Errors, Omissions and Misleading Statements

Example #5

BKD Report:

~~"Under White, there have been nominal budget increases, continuing significant amounts over budget,~~ ~~**up to 11. 7% in 2018**~~~~."~~

Actual:

The highest "variance to budget %" under the current County Executive **is only 5.5%** in 2017.

Errors, Omissions and Misleading Statements

Example #6

BKD Report:

"We have observed a pattern of Finance under-budgeting sales tax revenue, which appears to exceed the concept of "conservatism" with **an** average excess since 2015 of **10.2% each year**."

Actual:

Errors, Omissions and Misleading Statements

Example #6

BKD Report:

~~“We have observed a pattern of Finance under-budgeting sales tax revenue, which appears to exceed the concept of "conservatism" with **an** average excess since 2015 of **10.2% each year**.”~~

Actual:

“We have observed a pattern of Finance under-budgeting sales tax revenue, which appears to exceed the concept of "conservatism" with **an** average excess since 2015 of **5.33% each year**.”

Errors, Omissions and Misleading Statements

Example #7

BKD Report:

"Concerns had been raised regarding the use of COMBAT funds for capital improvement project unrelated to the intent of the Anti-Crime Tax and without COMBAT's knowledge. Specifically, COMBAT funds being used on the following construction projects… Rock Island… Truman Courthouse"

Actual:

Errors, Omissions and Misleading Statements

Example #7

BKD Report:

~~"Concerns had been raised regarding the use of COMBAT funds for capital improvement project unrelated to the intent of the Anti-Crime Tax and without COMBAT's knowledge. Specifically, COMBAT funds being used on the following construction projects… Rock Island… Truman Courthouse."~~

Actual:

No COMBAT funds were used on the Rock Island Rail Corridor or Historic Courthouse Renovation.

Errors, Omissions and Misleading Statements

Example #8

BKD Report:	**Actual:**
"COMBAT is responsible for the distribution of the Anti-Crime Tax revenues."	

Errors, Omissions and Misleading Statements
Example #8

BKD Report:

~~"COMBAT is responsible for the distribution of the Anti-Crime Tax revenues."~~

Actual:

"There is no state law or county ordinance that requires those funds to be allocated in any particular percentages to the various entities that receive COMBAT funding. The amount appropriated is up to the County Legislature."[1]

1. Missouri State Auditor's Office

Errors, Omissions and Misleading Statements

Example #9

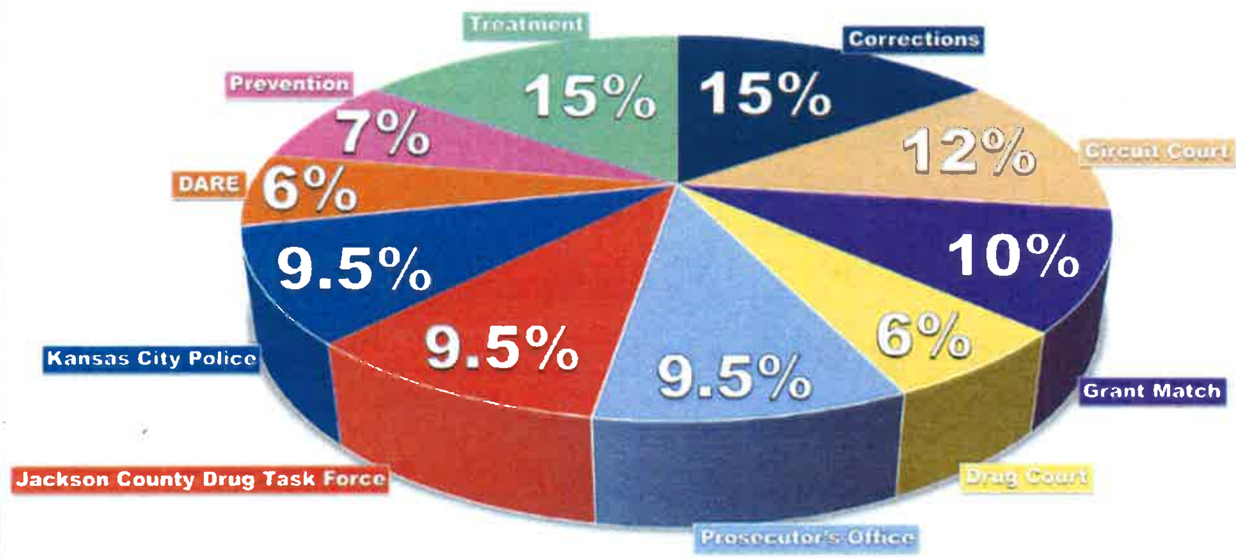
BKD Report:

"Funding percentages for County departments were set by the Resolution 10950 on September 11, 1995 and are included in the County department's annual budget."

Actual:

Errors, Omissions and Misleading Statements

Example #9



Errors, Omissions and Misleading Statements

Example #9

BKD Report:

~~"Funding percentages for County departments were set by the Resolution 10950 on September 11, 1995 and are included in the County department's annual budget."~~

Actual:

"(. . .) Resolution 10950 is just what it says, a statement of intent only. The intent can be changed by the Legislature's subsequent adoption of legislation expressing a different intent, whether it be by resolution approving a contract or by ordinance adopting an annual budget or otherwise appropriating funds (. . .) the legislature has, to our best understanding, regularly deviated from the allocation set out in Resolution 10950." [1]

1. County Counselor Memorandum, May 30, 2018

Errors, Omissions and Misleading Statements

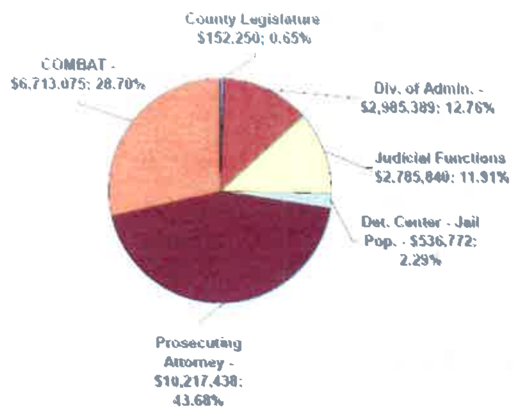
Example #9

2005 ANTI DRUG SALES TAX FUND

AVAILABLE:

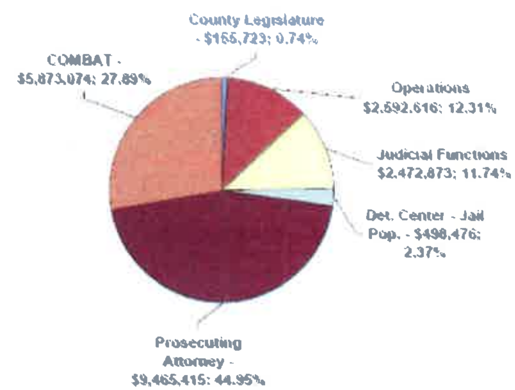
RECOMMENDED APPROPRIATIONS:

ANTI-DRUG SALES TAX FUND
2006 BUDGET APPROPRIATIONS



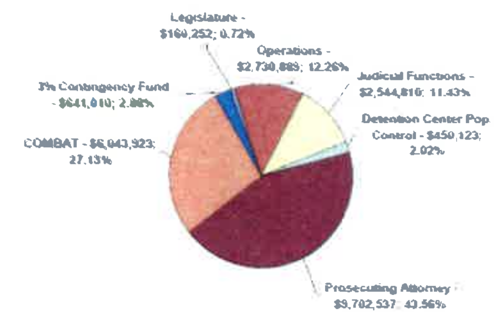
Total Appropriations - $23,390,764

ANTI-DRUG SALES TAX FUND
2007 BUDGET APPROPRIATIONS



Total Appropriations - $21,058,177

ANTI-DRUG SALES TAX FUND
2008 BUDGET APPROPRIATIONS



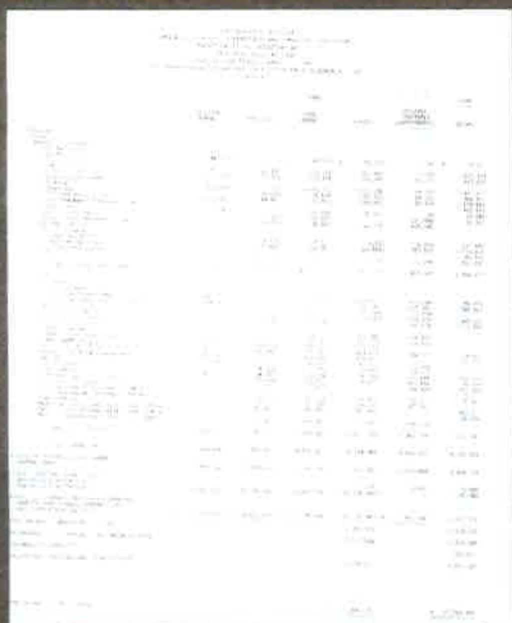
Total Appropriations - $22,273,544

Anti-Drug Fund
2005-2008 Budget Books

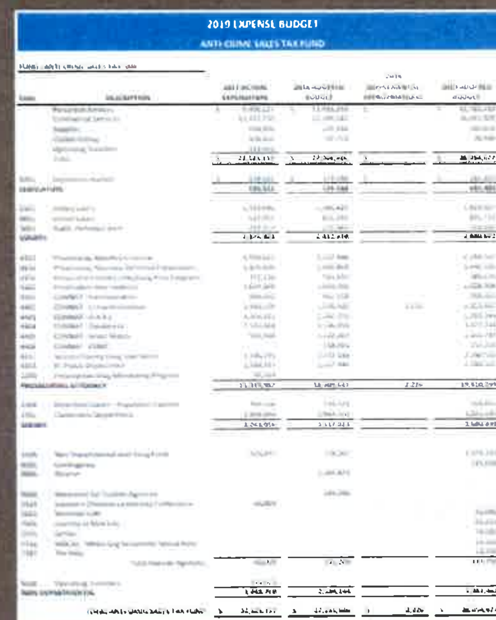
Errors, Omissions and Misleading Statements

Example #9

1996



2019



2019 EXPENSE BUDGET

ANTI-CRIME SALES TAX FUND

Errors, Omissions and Misleading Statements

Example #10

Errors, Omissions and Misleading Statements

Example #10

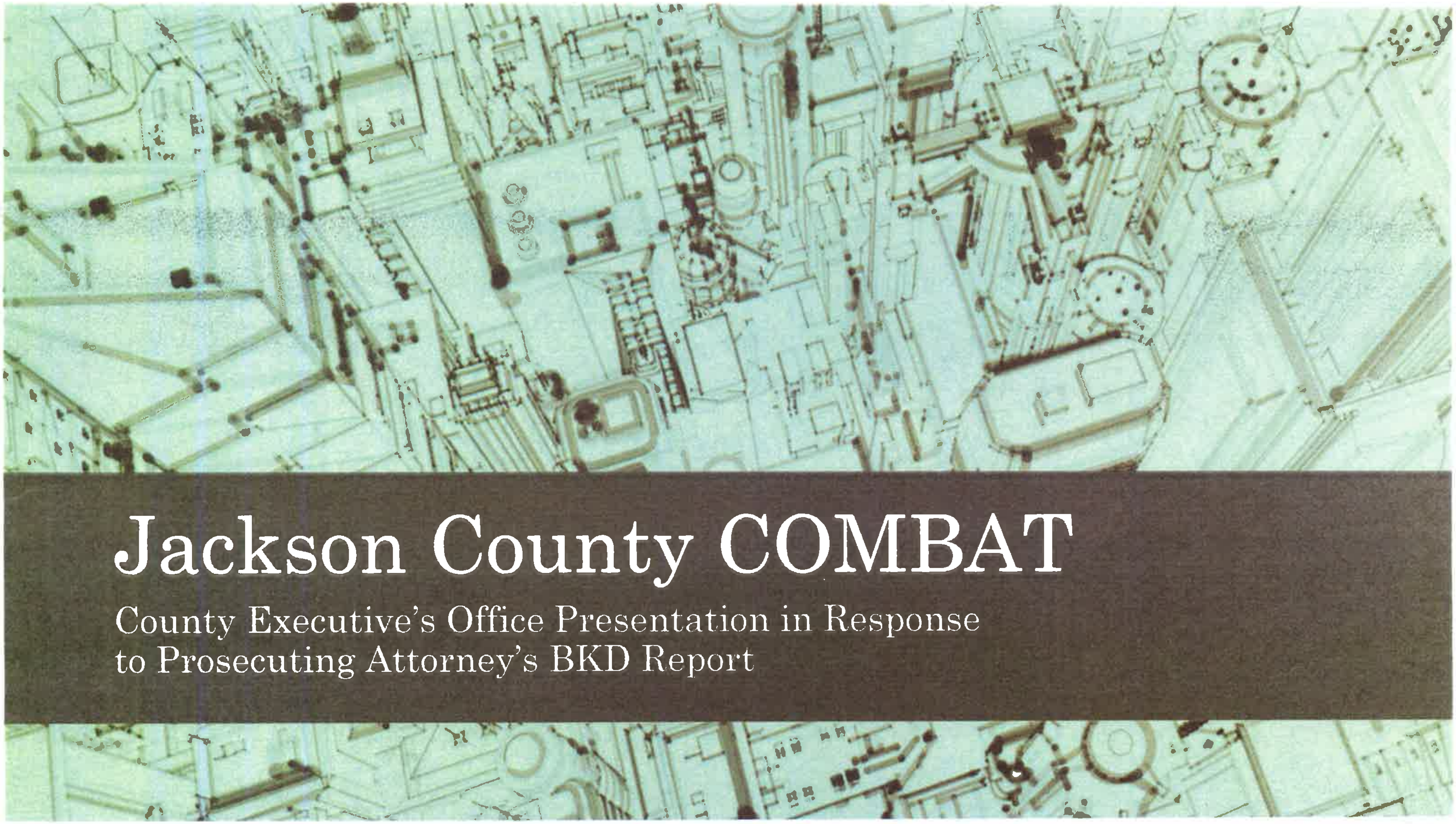
- Over $1 million in COMBAT funds used to renovate
- Building sold by the County in 2017 for $10[1]

1 Resolution 19545, 2017

Questions

The Legislature, COMBAT Commission and community deserves to hear from BKD directly.

- Who directed their work?
- Were there areas or issues they were told to stay away from?
  - Example: MyArts?
- Were they told to not contact certain people?
  - Administration?
  - COMBAT Commission?
  - Legislators?
- What was included in the three earlier versions of their report?
- Can they provide the sources for all of the information in their report?
- Why did they feel it was important to add the following statement to their contract:
  - "While Jackson County has referred to this engagement as an "audit", it is not a financial statement audit, but instead a consulting project that includes forensic account and data analytics."


Jackson County COMBAT
County Executive's Office Presentation in Response
to Prosecuting Attorney's BKD Report