

**G. CHANCE CRAWFORD  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF SALEM**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2011 THROUGH MARCH 31, 2012**



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## COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### Improve Efficiency in the Office

The Clerk does not use some of the automated features available to him and his staff. Specifically, the Clerk should consider changing the following.

- The Clerk maintains a manual checkbook register rather than using the automated checkbook register.
- The Clerk prepares manual checks rather than using the automated check-writing feature.
- The Clerk manually prepares checks to the State Treasurer rather than using electronic funds transfer.

Using these automated features could help the Clerk's staff perform their job duties more efficiently and maximize the current level of staffing. Additionally, these automated features could help reduce errors by eliminating manual processes.

### Monitor and Disburse Liability Accounts

For the third consecutive audit, the Clerk is not monitoring his liability accounts monthly or performing due diligence as required by the Code of Virginia and the Financial Management System User's Guide. Liability accounts record amounts that the Clerk is holding to disburse to individuals, other agencies or others, or to pay fines and costs. The auditors noted the following errors.

- The Clerk has not sent one escrow account totaling \$9,381 and 29 outstanding checks over a year old, totaling \$8,516 to the State Treasurer's Division of Unclaimed Property.
- The Clerk has not paid out one restitution account totaling \$1,234.
- The Clerk has not paid out one escrow account on a closed case ending in June 2011, totaling \$421.

The Clerk should monitor liabilities, perform due diligence, and disburse liabilities on a monthly basis. Further, the Clerk should remit unclaimed property to the State Treasurer after due diligence procedures to locate the recipients have failed.

### Properly Bill and Collect Court Costs

As noted in the prior year audit, the Clerk and his staff did not properly bill and collect court costs. In 11 of 20 cases tested, the auditors noted the following errors.

- In nine cases, the Clerk incorrectly billed the defendants for the jail admission fees totaling \$150 and the DNA fees totaling \$75.

- In two cases, the Clerk did not bill the defendants for the fixed misdemeanor fees totaling \$20.

The Clerk should correct these specific cases noted above. The Clerk should implement a process to review all court costs entered in the accounting system after the trial to help prevent these types of errors from reoccurring. Further, the Clerk should bill and collect court costs in accordance with the Code of Virginia.



# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

June 20, 2012

The Honorable G. Chance Crawford  
Clerk of the Circuit Court  
City of Salem

Byron R. Foley, Mayor  
City of Salem

Audit Period: April 1, 2011 through March 31, 2012  
Court System: City of Salem

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies.

### Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted matters involving internal control and its operation necessary to bring to management's attention. The matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:alh

cc: The Honorable William D. Broadhurst, Chief Judge  
Kevin S. Boggess, City Manager  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts

# Clerk of the Circuit Court

G. CHANCE CRAWFORD  
CLERK  
P.O. BOX 891  
SALEM, VIRGINIA 24153  
PH: 540-375-3067  
FAX: 540-375-4039



TERMS OF COURT  
THIRD FRIDAY  
FEB. - MAY - JULY - SEPT.  
SECOND FRIDAY  
DECEMBER

City of Salem, Virginia

June 27, 2012

Mr. Walter J. Kucharski:

Here is our corrective action plan:

Item I:

There is nothing in the Code of Virginia that requires us to use the automated checkbook or automated check writing feature. Further, we've had no issues in regard to reconciliation or recipients cashing our checks. It is my opinion that using a manual checkbook is my choice and not the choice of the APA.

As to electronically transferring funds to the Treasurer of Virginia, the Code of Virginia also does not require us to transfer said funds electronically and all funds have always been properly deposited in a most timely manner.

Item II:

I concur with the finding on the unclaimed property. We have updated our tickler system to better able us to comply with this once a year requirement.

As to the \$9,381.79, these funds are associated with a case involving the foreclosure sale of property in the City of Salem. Per the Court order (attached) dated August 11, 2005, the funds were to be held ". . . pending further Order of the Court as to the proper recipient of said remaining proceeds . . .". No further order has been entered. Furthermore, to whom are you suggesting that we send these monies?

As to the one restitution account totaling \$1,234.00, this was not mentioned in our preliminary audit report, but I believe the case that is referred to is Commonwealth of Virginia v. John William Hairston. The victim in this case is Sharp Cars Ltd. and this restitution check was mailed on May 24, 2012 to said victim.

As to the \$421.00 Order of Forfeiture, the order (attached) explicitly states that the monies were to be picked up from our office. No one has appeared before us to claim said monies.

# Clerk of the Circuit Court

G. CHANCE CRAWFORD  
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City of Salem, Virginia

Further, all of these monies are accounted for and none have been misplaced nor misappropriated.

## Item III:

I concur with these findings. However, the FMS system presets many of these codes and we do on occasion neglect to change codes, which have been preset erroneously. We are insuring that all staff can properly assess Court costs. Further, we are currently working towards obtaining access to the LIDS system for our office to insure we are properly assessing the DNA fee for each defendant. When training is available, we plan to send available staff for said training.

Additionally, our office is a small office with only a staff of five, including myself. In my opinion, it is easier for the many larger offices throughout the Commonwealth to comply with the myriad responsibilities entailed with performing the duties of the Clerk of the Circuit Court. The larger staffs in these offices allow them to have Deputy Clerks specializing in either single areas or areas small in scope and nature, thus allowing them to more easily comply with all statutory requirements. In an office of our size, the staffing constraints of the Commonwealth afford us no such luxury. No one person in our office is allowed to concentrate on one particular area. For example, the Deputy Clerk whose primary responsibility is the criminal area, also must be versed in the civil area, real estate recordings, judgments, probate, answering calls and customer service for walk-ins, only to name a few of the other responsibilities added to this single individual. It should surprise no one if the smaller offices of the Commonwealth incur more errors than our larger brethren. I am offering these thoughts not as an excuse, but to call attention to the inequities in staffing amongst Clerk's offices throughout the Commonwealth. I am extremely proud of the exemplary customer service provided by our office and will continue to insure that serving the community is our primary goal.

Sincerely,

*G. Chance Crawford*

G. Chance Crawford  
Clerk Circuit Court City of Salem



VIRGINIA: IN THE CIRCUIT COURT OF CITY OF SALEM

CH 05-132

IN RE: FORECLOSURE SALE OF THE REAL PROPERTY  
LOCATED AT 1432 HAYDON STREET, SALEM, VIRGINIA

ORDER

C  
JH/er  
CL  
T Corcoran

This cause on this day to be heard upon a petition of Glasser and Glasser, P.L.C., Sole Acting Substitute Trustee, praying for leave to pay the sum of \$8,240.46 to the Clerk of this Court subject to the filing and service fees, if any, expended for the filing of this petition and to award reasonable attorney fees out of said proceeds for the filing of this petition.

It is hereby ORDERED that leave be granted for Glasser and Glasser, P.L.C. to pay the sum of \$8,240.46 to the Clerk of the Circuit Court of the City of Salem pending further Order of the Court as to the proper recipient of said remaining proceeds; and that Glasser and Glasser, P.L.C., Sole Acting Substitute Trustee, shall be entitled to retain out of said remaining proceeds the sum of \$69.00 for reimbursement of filing fees incurred by it in filing this petition in addition to the sum of \$450.00 out of said proceeds as attorney fees for filing of this petition, leaving a total final balance of \$7,721.46 to pay to the Clerk of the Court as hereinabove Ordered.

AND IT IS FURTHER ORDERED that Glasser and Glasser, P.L.C. Substitute Trustee is Discharged from its obligation as Substitute Trustee in regard to the distribution of the surplus funds realized from the foreclosure sale.

ENTERED this 11<sup>th</sup> day of August, 2005

  
JUDGE

I ask for this:



Traci G. Corcoran, VSB No. 46897  
Glasser and Glasser, P.L.C.  
Crown Center Building  
580 East Main Street  
Norfolk, Virginia 23510  
757-625-6787



VIRGINIA: IN THE CIRCUIT COURT FOR THE CITY OF SALEM

COMMONWEALTH OF VIRGINIA

v.

\$842.00

and

1987 CHRYSLER  
VIN#1C3BF66P7HX719994

and

MEGHAN RAE JONES  
102 ACADEMY STREET  
SALEM, VIRGINIA 24153

~~INFORMATION~~

CL 08-75

ORDER OF FORFEITURE

This CAUSE came to be heard upon the Information filed by the Commonwealth directing Meghan Rae Jones and all other person having an interest in the \$842.00 U.S. Currency and the 1987 CHRYSLER VIN#1C3BF66P7HX719994, to appear and show cause why said \$842.00 U.S. Currency and 1987 CHRYSLER VIN#1C3BF66P7HX719994 should not be forfeited to the Commonwealth under the provisions of Chapter 22.1, Title 19.2 of the Code of Virginia (1950), as amended. Meghan Rae Jones is represented by Christopher Kowalczyk and the Commonwealth is represented by Thomas E. Bowers, Commonwealth's Attorney.

It appearing to the Court that the Defendant, Meghan Rae Jones through her counsel, Christopher Kowalczyk and the Commonwealth have reached an agreement that the \$842.00 seized will be split evenly, with \$421.00 U.S. Currency and 1987 CHRYSLER

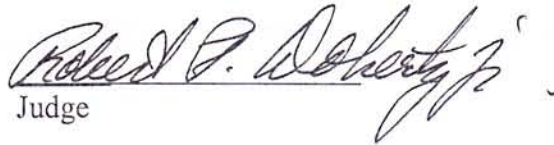
*RAJ*

VIN#1C3BF66P7HX719994 to be returned to Meghan Rae Jones through her counsel, Christopher Kowalczuk, and \$421.00 U.S. Currency to be forfeited to the Commonwealth. The parties agree that the 1987 CHRYSLER VIN#1C3BF66P7HX719994 may be released to Stephanie Burton, mother of Meghan Rae Jones, and that the vehicle must be picked up at the Impound Lot of the Salem Police Department by July 1, 2011.

IT IS THEREFORE ADJUDGED AND DECREED that the Salem Police Department shall deliver to the Circuit Court Clerk the sum of \$842.00. Upon receipt of the \$842.00 the Clerk shall issue a check in the amount \$421.00 made payable to Meghan Rae Jones, which shall be picked up at the Clerk's Office by her counsel, Christopher Kowalczuk. In addition, the 1987 CHRYSLER VIN#1C3BF66P7HX719994 will be released to Stephanie Burton, mother of Meghan Rae Jones, and by this Order that the vehicle shall be picked up at the Impound Lot of the Salem Police Department by July 1, 2011. The remaining \$421.00 shall be ORDERED FORFEITED to the custody and ownership of the Commonwealth of Virginia pursuant to 19.2-386.11 and 19.2-386.12 Code of Virginia (1950) as amended. The Clerk shall prepare a check in the amount of \$421.00 made payable to the Department of Criminal Justice Services and deliver said check to the Commonwealth's Attorney, who shall then forward said check to the Department of Criminal Justice Services for distribution according to law.

It is further ORDERED that the Clerk of this Court shall certify copies of this ORDER to the Chief of Police for the City of Salem, to the Attorney for the Commonwealth for the City of Salem and to Christopher Kowalczuk, counsel for Meghan Rae Jones.

ENTER, this 9<sup>th</sup> day of June, 2011.

  
Judge

We ask for this:



Thomas E. Bowers  
Commonwealth Attorney  
City of Salem

  
Christopher Kowalczuk  
Counsel for Meghan Rae Jones