

Special Report on the

Office of License Commissioner

Tuscaloosa County, Alabama

January 1, 2016 through December 31, 2019

Filed: November 20, 2020



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Rachel Laurie Riddle, Chief Examiner



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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

A special review was conducted for the Office of License Commissioner, Tuscaloosa County, Alabama, for the period January 1, 2016 through December 31, 2019. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results and findings of the special review.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Marian B. Hill'.

Marian B. Hill
Examiner of Public Accounts

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Table of Contents

	<i>Page</i>
Summary	A
Contains items pertaining to state and local legal compliance, office operations and other matters.	
Schedule of State and Local Compliance and Other Findings	C
Contains detailed information about findings pertaining to state and local legal compliance and other findings.	
Additional Information	1
Exhibit #1 Schedule of Charges – a schedule that provides details on amounts that the former License Commissioner and former Deputy License Commissioner have been asked to repay.	2
Orders of the Chief Examiner	3



Department of
Examiners of Public Accounts

SUMMARY

**Special Report on the Office of License Commissioner
Tuscaloosa County, Alabama
January 1, 2016 through December 31, 2019**

The Office of License Commissioner, Tuscaloosa County, Alabama, (here in referred to as the “License Commissioner”) was created under the authority of Act Number 1292, Acts of Alabama 1971, page 2220. The License Commissioner is an officer of the county appointed by the Tuscaloosa County Commission. The License Commissioner shall be subject to the general supervision of the county governing body but shall hold office subject to the provisions of civil service or merit system of the county.

The License Commissioner is responsible for the issuance of certain business or professional licenses, motor vehicle licenses, special permits, motor vehicle titles, drivers’ licenses, conservation licenses, manufactured home registrations, temporary tags, and motor vehicle and boat casual sales and use taxes. The License Commissioner is also responsible for the assessment and collection of ad valorem taxes on motor vehicles.

Jeffery S. Brown served as License Commissioner during the examination period until July 1, 2017. Lynne Robbins was appointed as License Commissioner on September 7, 2017 and served until she resigned on February 11, 2020. Prior to being appointed License Commissioner, Lynne Robbins served as Deputy License Commissioner. Jennifer Wetzel was appointed as Deputy License Commissioner on November 27, 2017. Prior to being appointed as Deputy License Commissioner, Jennifer Wetzel was employed as Licensing Assistant Manager in the License Commissioner’s Office.

We performed a special examination of the License Commissioner for compliance with applicable laws and regulations of the State of Alabama. The primary objective of this examination was to determine whether all money collected from taxpayers for the payment of assessed taxes and fees was properly receipted, recorded and deposited in compliance with applicable laws and regulations. This report presents the results of the special examination in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12.

The following instances of noncompliance with state and local laws and regulations and other matters were found during the examination, as shown on the Schedule of State and Local Compliance and Other Findings and they are summarized below.

FINDINGS

- ◆ 2020-001 relates to modifications made to completed transactions in order to reduce the amount of reported taxes and fees collected from taxpayers. These modifications were made after the taxpayers completed the transactions, but prior to the deposit of funds into the License Commissioner's bank account.
- ◆ 2020-002 relates to the issuance of motor vehicle tags and corresponding decals to individuals without the payment and collection of ad valorem taxes.
- ◆ 2019-003 relates to checks written to the License Commissioner's Office by a former License Commissioner that were returned for insufficient funds and remain unpaid.

As reflected on Exhibit 1, charges against the former License Commissioner, Lynne Robbins, and the former Deputy License Commissioner, Jennifer Wetzel, resulted from noncompliance with applicable laws and regulations, failure to comply with minimum accounting requirements, and a lack of management oversight to ensure amounts collected from taxpayers were properly receipted, recorded and deposited. Letters were sent to the former License Commissioner and the former Deputy License Commissioner requesting repayments totaling \$141,626.21. The former License Commissioner failed to appear at a meeting with the Chief Examiner and show just cause why the amounts charged should not be repaid; therefore, relief was denied, as evidenced by an Order of the Chief Examiner. The charges remain due and unpaid, and as a result, this report will be certified to the Attorney General for collection. The former Deputy License Commissioner appeared at a meeting before the Chief Examiner and showed just cause as to why amounts charged to her should not be repaid; therefore, relief was granted as evidenced by the Order of the Chief Examiner.

The following officials were invited to an exit conference to discuss this report: Ward D. Robertson, Judge of Probate; Mark K. Fields, License Commissioner; and David Howell, former Interim License Commissioner. The following individuals attended the exit conference held via teleconference: Ward D. Robertson, Judge of Probate; Mark K. Fields, License Commissioner; and David Howell, former Interim License Commissioner; and representatives from the Department of Examiners of Public Accounts: Dixie Broadwater, Special Projects Manager; and Marian Hill, Examiner of Public Accounts.

*Schedule of State and Local
Compliance and Other Findings*

Schedule of State and Local Compliance and Other Findings
January 1, 2016 through December 31, 2019

Ref. No.	Finding/Noncompliance
2020-001	<p><u>Finding:</u></p> <p>The <i>Code of Alabama 1975</i>, Section 41-5A-21, requires every county officer to keep the books, records, and accounts and make the reports of his office in accordance with such systems, procedures and forms as may be prescribed by the Chief Examiner. Minimum accounting requirements, as prescribed by the Chief Examiner of Public Accounts applicable to licensing officials, include the following:</p> <ul style="list-style-type: none">✓ Documentation must be maintained for all voided transactions including the original document and the reason the transaction was voided. Documentation of the reason shall be available for any transaction which was changed or deleted.✓ Individual daily cash checkup sheets must be prepared at the end of each day by each person responsible for cash collections. This report should reconcile the receipts issued to amounts collected by cash, checks, or credit cards. When the daily checkup is complete, cash and checks should be given to the person responsible for making deposits with appropriate documentation. The daily checkup sheets should detail the type and amount of transactions from each cashier. Deposits should be made intact. <p>Modifications were made to transactions using the credentials of the former License Commissioner and the former Deputy License Commissioner that resulted in money paid by taxpayers not being deposited into the official's bank account. Modifications totaling \$131,180.96, were made from April 18, 2016 through December 4, 2019, using the credentials of the former License Commissioner, and modifications totaling \$5,025.57 were made from June 13, 2017 through July 8, 2019 using the credentials of the former Deputy License Commissioner in order to reduce the amount of reported taxes and fees collected from taxpayers. These modifications were made after the taxpayers completed the transactions, but before the money was deposited in the License Commissioner's bank accounts. Documentation to support the modifications was not maintained and explanations for the modifications were not always available.</p>

Schedule of State and Local Compliance and Other Findings
January 1, 2016 through December 31, 2019

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> Proper procedures were not in place to ensure daily checkups and reconciliations were performed at the end of each day and deposits were made intact. Reports utilized by the License Commissioner’s office to document which employee verified the amount collected in each cash drawer were not always properly completed.</p> <p>Due to a lack of oversight by the appointing authority and management, the dereliction of duty by the former License Commissioner, and noncompliance with minimum accounting requirements to ensure all money collected from taxpayers was deposited into the official bank account, the License Commissioner’s office was exposed to the risk of loss and theft. As a result, \$131,180.96 is reflected as a charge against the former License Commissioner and \$5,025.57 is reflected as a charge against the former Deputy License Commissioner on Exhibit 1.</p> <p><u>Recommendation:</u> Policies and procedures should be implemented to ensure deposits are made intact after the completion of daily checkups and reconciliations performed at the end of each day. Additionally, documentation to support any modifications to transactions should be maintained.</p>
2020-002	<p><u>Finding:</u> The <i>Code of Alabama 1975</i>, Section 40-12-253(a)(3), provides no license shall be issued to operate a motor vehicle on the public highways of this state until the ad valorem tax on the motor vehicle is paid in the county, as evidenced by a receipt of the tax collecting official. During the former License Commissioner’s term of office, six motor vehicle tags and corresponding decals were issued to the former License Commissioner and her family members using the credentials of the former License Commissioner with no corresponding payment of ad valorem taxes collected. The transactions for these tags and corresponding decals were recorded in a “pending batch file” in the License Commissioner’s accounting software in order to issue the tags; however, the transactions were never “paid out” which would have finalized the batch. There was no evidence of any taxes being collected or deposited related to these transactions.</p>

Schedule of State and Local Compliance and Other Findings
January 1, 2016 through December 31, 2019

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> Subsequent to the completion of fieldwork of this examination, the former License Commissioner contacted the License Commissioner’s office to renew her personal tags and corresponding decals for the 2021 tag year. The former License Commissioner was informed she could not renew her personal motor vehicle tags and corresponding decals for the 2021 tag year until the 2020 tag year was paid in full. The former License Commissioner paid \$317.40 related to the 2020 tag year, leaving \$89.68 unpaid.</p> <p>Due to an override of controls within the accounting software, motor vehicle tags and corresponding decals were issued without payment being collected. As a result, \$89.68 is reflected as a charge against the former License Commissioner on Exhibit 1.</p> <p><u>Recommendation:</u> Policies and procedures should be implemented to ensure controls within the License Commissioner’s accounting software cannot be overridden and to ensure motor vehicle tags and corresponding decals cannot be issued to individuals until the payment of assessed taxes is collected and deposited.</p>
2020-003	<p><u>Finding:</u> The <i>Code of Alabama 1975</i>, Section 41-5A-21, requires every county officer to keep the books, records and accounts and make the reports of his office in accordance with such systems, procedures and forms as may be prescribed by the Chief Examiner. Minimum accounting requirements, as prescribed by the Chief Examiner of Public Accounts applicable to licensing officials, provide for a returned check register to be maintained. This register shall reflect all returned checks, the transaction date, date returned, the bank or bank account on which it was returned, the maker of the check, the amount, what type of transaction it was for, the date collected, amount of fees collected, and the balance uncollected at the end of each month. Additionally, prudent internal control procedures prohibit the cashing of personal checks from public money.</p> <p>Sixteen checks totaling \$4,850.00, written to the License Commissioner’s office by the former License Commissioner, were returned for insufficient funds. It appears these checks were written in exchange for cash from money collected from taxpayers. Five of the checks were recorded on the returned check register but were not repaid by the former License Commissioner. The remaining eleven returned checks had not been recorded on the returned check register nor had the checks been repaid by the former License Commissioner. A fee of \$30.00 is charged by the License Commissioner’s office for each check returned.</p>

Schedule of State and Local Compliance and Other Findings
January 1, 2016 through December 31, 2019

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> Due to a lack of adequate internal controls and noncompliance with the minimum accounting requirements applicable to licensing officials related to returned checks, the License Commissioner's office was exposed to the risk of loss. As a result, \$5,330.00 is reflected on Exhibit 1 as a charge against the former License Commissioner for the returned checks and associated fees.</p> <p><u>Recommendation:</u> Policies should be in place to prohibit cashing personal checks from public money in the License Commissioner's office. Additionally, the License Commissioner's office should maintain a complete returned check register and implement procedures to recover all uncollected returned checks.</p>

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Additional Information

Schedule of Charges
January 1, 2016 through December 31, 2019

Person/Official Charged	Date	Amount Charged	Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charge
Directly Charged to:						
Lynne Robbins, Former License Commissioner Tuscaloosa County	04/18/2016-12/04/2019	\$ 131,180.96	\$	\$	\$ 131,180.96	Modifications were made to transactions resulting in money paid by taxpayers not being deposited into the official's bank account. These modifications were made to reduce the amount of reported taxes and fees collected from taxpayers after the taxpayers completed the transactions, but before the money was deposited. Documentation to support the modifications made was not maintained and explanations for the modifications were not always available.
	08/28/2019	89.68			89.68	Six motor vehicle tags and corresponding decals were issued by former License Commissioner Robbins to herself and her family members without payment of ad valorem taxes. The transactions for these tags and corresponding decals were recorded in a "pending batch file" in the License Commissioner's accounting software in order to issue the tags; however, the transactions were never "paid out" which would have finalized the batch. Subsequent to the completion of fieldwork of this examination, former License Commissioner Robbins paid a portion of the amounts related to the 2020 tag year, leaving \$89.68 unpaid.
	05/14/2019-12/02/2019	5,330.00			5,330.00	Sixteen checks totaling \$4,850.00, written to the Tuscaloosa County License Commissioner's office by the former License Commissioner Robbins, were returned for insufficient funds. It appears these checks were written in exchange for cash from money in the Office collected from taxpayers. Five of the checks were recorded on the Office's returned check register but were not repaid by the former License Commissioner. The remaining eleven returned checks were not recorded on the Office's returned check register nor had the checks been repaid by the former License Commissioner. A fee of \$30.00 is charged by the License Commissioner's office for each check returned.
Total Directly Charged to Lynne Robbins		<u>136,600.64</u>			<u>136,600.64</u>	
Directly Charged to:						
Jennifer Wetzel, Former Deputy License Commissioner Tuscaloosa County	06/13/2017-07/08/2019	5,025.57		5,025.57		Modifications were made to transactions, which resulted in amounts paid by taxpayers not being deposited into the official's bank account. These modifications were made to reduce the amount of reported taxes and fees collected from taxpayers after the taxpayers completed the transactions, but before the deposit of money was made. Documentation to support the modifications made was not maintained and explanations for the modifications were not always available.
Total Directly Charged to Jennifer Wetzel		<u>5,025.57</u>		<u>5,025.57</u>		
Total Charges		<u>\$ 141,626.21</u>	\$	<u>\$ 5,025.57</u>	<u>\$ 136,600.64</u>	

Orders of the Chief Examiner

ORDER OF THE CHIEF EXAMINER

**RE: OFFICE OF LICENSE COMMISSIONER
TUSCALOOSA COUNTY
JANUARY 1, 2016 THROUGH DECEMBER 31, 2019**

This matter of amounts due from the former License Commissioner for Tuscaloosa County was brought before me on the 15th day of October 2020, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that the former License Commissioner has failed to show just cause why the amounts due should not be paid. Therefore, relief is denied.

Entered this the 16th day of October, 2020.



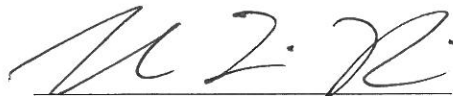
**Rachel Laurie Riddle
Chief Examiner**

ORDER OF THE CHIEF EXAMINER

RE: OFFICE OF LICENSE COMMISSIONER TUSCALOOSA COUNTY JANUARY 1, 2016 THROUGH DECEMBER 31, 2019

This matter of amounts due from the former Deputy License Commissioner for Tuscaloosa County was brought before me on the 15th day of October 2020, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. The former Deputy License Commissioner appeared before me on that date, and I am of the opinion that the former Deputy License Commissioner has provided evidence to constitute just cause for relieving charges in the amount of \$5,025.57. Therefore, relief from these charges is accordingly granted.

Entered this the 21st day of October, 2020.



Rachel Laurie Riddle
Chief Examiner