

Collin County Texas 07,14
COUNTY FUNDS INDEMNIFICATION REQUEST FORM

Official's Name Kenneth L. Maun	Current Date 12-13-17	Amount of Loss 100.00
Department/ Division Name Tax Assessor/Collector	Date of Loss 12-4-17	Police Report Attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Commissioners Court Collin County, Texas		

Local Government Code §157.903 authorizes the commissioners court of a county by order to provide for the indemnification of an elected or appointed county officer against personal liability for the loss of county funds, or loss of or damage to personal property, incurred by the officer in the performance of official duties if the loss was not the result of the officer's negligence or criminal action. Therefore, I respectfully request Commissioners Court to approve this indemnification request and authorize the Collin County Auditor to charge off the above amount of County funds or property, which have been determined to be missing or stolen.

Cause of Loss (Attach additional sheet if necessary)

See Attached

Position of Official Regarding Loss (Attach additional sheet if necessary)

See Attached

Current Internal Controls to Prevent Loss (Attach additional sheet if necessary)

See Attached

Additional Controls Implemented to Prevent Future Losses (If applicable) (Attach additional sheet if necessary)

See Attached

Action Taken to Recover Funds (Attach additional sheet if necessary)

See Attached

Signed By Kenneth L. Maun	Title Collin County Tax Assessor/Collector
Official's Signature <i>K. Maun</i>	Date 1/17/18

TO BE COMPLETED BY COUNTY AUDITOR

Based upon the Auditor's Office review, the above listed loss amount being requested for indemnification: <input type="checkbox"/> DOES appear to be accurate. <input type="checkbox"/> DOES NOT appear to be accurate. Based upon our review, the loss amount is	After review of the circumstances, the Auditor's office recommends: <input type="checkbox"/> Indemnification <input type="checkbox"/> Not Indemnifying
County Auditor Signature	Date

ACCOUNT CODING TO BE USED

	FUND/DIVISION	OBJECT	AMOUNT	CHECK OR JOURNAL ENTRY
DR				
CR				

TO BE COMPLETED BY COMMISSIONERS COURT

Indemnification • APPROVED • NOT APPROVED by Commissioners Court

Signed By

County Judge Signature

Date

In an effort to provide the documentation for the COUNTY FUNDS INDEMINIFICATION REQUEST FORM in a way that is easier to read, the following memo will be attached to the form.

On December 4, 2017, the Tax Assessor Collector's Office received a \$100 counterfeit bill during the course of business in our Frisco Location.

See our responses below along with attached statements from the supervisor and a clerk in Frisco.

Cause of Loss

While balancing the change fund in the cash room, the mixed counter/counterfeit detection machine flagged a potential counterfeit \$100 bill. This bill had all the security markings and passed the pen test. Because it was in the change fund, we were unable to determine which clerk accepted the bill. The bill was sent to the bank and confirmed to have been counterfeit.

Position of Official Regarding Loss

The tax office works diligently every day to make sure that the staff is trained and that we take all steps possible to protect the assets of the county and the entities that we collect for. This bill passed the pen test and from everything that we can verify, the clerks in the Frisco office followed the policies and procedures established in the office. After being notified of the loss, the supervisor of the Frisco office ensure that each clerk had a detection pen and made reference material available as a refresher to all clerks of the security features built into US currency. The Financial Operations Manager observed the office during a visit on December 14, 2017 and the clerks were using their pens as instructed.

Current Internal Controls to Prevent Loss

In addition the training each clerk on the security features of the various bills, all clerks are equipped with counterfeit detection pens and have been trained to check all bills of \$20 or higher. They are also trained to examine and feel the bills and use the pen on any bill, no matter the amount, if the bill looks or feels odd. They have also been trained that if they find such a bill to run it through one of our mixed bill counter/counterfeit detection machines. We have purchased machines for each of our offices and have been approved for 6 additional machines in the FY2018 budget. Our goal is to someday have enough of these machines so that each clerk has access to one without having to get up and leave their work station.

Additional Controls Implemented to Prevent Future Losses

The tax office will continue to provide updated training and as the budget allows acquire more counterfeit detection machines with the latest in detection software. In the Frisco office we have added the additional control of having all bills scanned prior to making change so that we can better determine the source of the counterfeit bill. After being notified of the loss, the supervisor of the Frisco office ensure that each clerk had a detection pen and made reference material available as a refresher to all clerks of the security features built into US currency. The Financial Operations Manager observed the office during a visit on December 14, 2017 and the clerks were using their pens as instructed.

Action taken to Recover Funds

We were unable to determine the source of the bill. We process both motor vehicle and property transactions in the Frisco office and since the bill was found in our change fund, it could have come from any of the clerks from any transaction. See above of additional controls to help determine the source of all counterfeit bills.

On December 4, 2017 I was made aware of a possible counterfeit \$100. Paola and Sheilah brought the bill to me and explained that it was already in the cashbox and when run through the cash machine it was being stopped as a suspected counterfeit bill. Paola showed me that it passed the counterfeit detector pen test but that it felt off and the machine didn't like it. After some discussion with the Accounting Department I asked Paola to send it in to the bank in an envelope marked "suspected counterfeit" within the deposit bag for our change order.

All clerks are trained to use counterfeit detector pens on all \$20 and higher denomination bills. Some clerks mark all \$5 and higher denomination bills. This procedure has been in place and followed for several years. I reminded the clerks how important it is to use the pens but that in this case it went a little farther. We discussed using the UV light and/or cash machine if a bill passes the pen test but still feels off.

From now on they will hand the bill immediately back to the customer and have them walk down to the window where the cash machine is and meet them there. This ensures the money never leaves the customer's line of sight. The clerk will then take the bill back and run it through the machine. If the machine does not like it we will take steps from there but if the machine accepts it we are ok to proceed. The clerk will keep the bill and meet the customer back at their window.

We also implemented a new procedure for making change in the cashbox. It is already our procedure that all bills in the cashbox are run through the machine first thing in the morning before any change made or change orders from the bank added. Then bills from the bank in change orders are run the machine and verified before placing them in the cashbox. Then when all cash drawers and deposits are balanced, verified, and change made the last thing the cashier does is run all bills in the cashbox through the machine again. This was done for count purposes and not for counterfeit purposes but served that same purpose. However we are now taking additional steps to also prevent counterfeit bills in the cashbox. All money will be run through the machine before it will be accepted to be placed in the cashbox and change made from it. This will help prevent a counterfeit from making its way to the cashbox and identify the clerk that accepted it from a customer.



Angelica Rodriguez

December 15, 2017

On December 4th, 2017 I was in charge of the cash room. As any other day, I counted the cash box before I started to balance. I put the money through the cash counter, largest bills at the bottom, and after just a few bills, the machine stopped. After just a few bills, the machine stopped when it got to an old \$100 bill. The machine gave me the option to not accept it, or add it anyways; I selected the "add it" option thinking that it had already been checked by the person who previously counted the cash box. I wasn't comfortable doing it the way I did, so I ran the money a second time, but this time the smallest bills at the bottom. By the time it got to the counterfeit bill, the machine stopped again. This time, I did one straight line across the bill with a counterfeit pen, and I noticed that the ink turned different shades of yellow throughout the bill; the ink did not turn dark like it does on regular paper. Once again, I ran the money, only for the machine to stop again when it got to the bill. This time I grabbed the bill, and scribbled all over it with a counterfeit pen but no dark lines showed. I called Sheilah in the cash room to get a second opinion, and she said that it might be counterfeit. She contacted accounting to see how we were going to proceed; then, we waited for Angelica to tell us what to do with the bill. I replaced the bill that I was sending to the bank for a change order with the \$100 bill that was not readable in an envelope labeled "suspected counterfeit."

Paola Retana

Paola Retana

Jeff May

From: Steve Goodman
Sent: Tuesday, February 6, 2018 2:43 PM
To: Scott Grigg
Cc: Jeff May
Subject: RE: Counterfeit Bill

I have a contact with the USSS. Let me give him a call and ask the best course of action.



Inv. Steve Goodman, CFE
Criminal Investigation Division
Collin County Sheriff's Office
4300 Community Ave.
McKinney, TX 75071
972.547.5100 Main
972.547.5113 Direct
sgoodman@co.collin.tx.us

From: Scott Grigg
Sent: Tuesday, February 06, 2018 2:39 PM
To: Steve Goodman
Cc: Jeff May
Subject: Counterfeit Bill

Investigator Goodman,

Per the indemnification policy, we are to notify law enforcement of any counterfeit bills that result in loss to the county. On 12-4-17, the bank notified of us a \$100 bill that had been found to be counterfeit. After talking to the Frisco Office Supervisor and the clerk that was in the cash room. I was told that the bill passed the pen test, but was flagged by our detection machine.

Please let me know what additional information you need.

Thanks,

Scott D. Grigg PCC, CTOP
Financial Operations Manager
Collin County Tax Assessor-Collector's Office
2300 Bloomdale Road, Suite 2338
McKinney, TX 75071
972-547-5035