



# Tarrant County Tax Office

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## Motor Vehicle Division Check Kiting Scheme



# 2002 Motor Vehicle Review

- Conducted a limited review for the Two Months Ended May 31, 2002.
- Objectives: Determine that the Tax Assessor/Collector:
  1. Adequately documented transactions.
  2. Handled transactions in accordance with relevant statutes.
  3. Accurately and timely reported the results of operations.
  4. Had an internal control structure to minimize the risk of loss.
  5. Properly authorized timely disbursements that included all related collections.



# 2002 MV Review Procedures

- Gain an understanding of the MV internal control structure.
  1. Reviewed policies and procedures relevant to an examination of receipts, disbursements and management's monitoring activities.
  2. Confirmed internal controls through inquiry, observation, inspection and re-performance.
  3. Created procedure narratives documenting processes reviewed.



# 2002 MV Review Procedures

- Performed analytical procedures.
- Reviewed cash count files for issues in prior periods and conducted cash count for current period.
- Reviewed Bank Reconciliation and confirm bank balance for the month of March 31, 2002.
- Reviewed Disbursements for cutoff and accuracy.
- Reviewed month end reports for accuracy.
- Reviewed deposits to ensure all funds collected for the day are included in deposit.



# 2002 MV Review Procedures

- Tarrant County Tax Office Statistics.
  - 8 locations
  - 135 RTS workstations
    - Downtown – 48
    - Arlington – 20
    - Northeast – 17
    - Southwest – 15
    - Northwest – 12
    - Mansfield – 8
    - Miller/Poly – 8
    - Southlake - 7

# 2002 MV Review Procedures

- Receipt and Inventory Testing.
  - Sample size 108 transactions.
  - Selected judgmentally -- 4 clerks downtown and 2 clerks at each sub courthouse location.
- Review RTS computer system for general controls.



# **Findings and Recommendations**

- Registration and Title System (RTS) Security
- Generic Identification with High Levels of Access
- Multiple Access Codes with Different Levels of Access
- Missing Inventory
- Unassigned Inventory
- Motor Vehicle Stale Dated Checks



# **Background - S Company**

- Sabrina Burrus owned S Company and Title Heaven dba S Company.
- S Company was a Full Service Title Company who contracted with local car dealerships to process their Registration and Title transactions.
- To facilitate the process, S Company was assigned MV inventory, including registration stickers, license plates and Form 31 documents.
- The owner of S Company and the Motor Vehicle Chief Deputy were friends from high school.



# Background - Continued

- The Tax Office employee (Janet Atchison) was a long-term trusted employee.
- Janet was a supervisor who reported directly to the Motor Vehicle Chief Deputy instead of the location Manager.
- A change fund was not assigned to the workstation used by Janet Atchison.
- Janet was responsible for resolving “title transaction problems” with TXDOT. Instead, she processed numerous fraudulent title transactions for S Company.



# **Background - Continued**

- Various Tax Office employees worked for S Company on their own time.
- The Tax Office did not monitor bond coverage for dealers who received accountable inventory.
- Accountable inventory issued to S Company exceeded their bond amount.
- Lack of management oversight.



# And it all came tumbling down

- Early in 2003, Title Heaven dba S Company checks were returned NSF.
- In mid-December 2003, S Company presented 107 checks totaling \$660,125 along with unprocessed dealer title work.
- S Company notified the Tarrant County Tax Office the checks written in December would be returned NSF.
- The D/A advised the Tax Assessor/Collector to deposit the checks.



# The Work Begins

- The Auditor's Office was notified of the returned checks in late December 2003.
- The investigation began – January 13, 2004.
- Internal Audit staff was assigned to the project.
- Project employees were hired from Jefferson Wells to assist with the project.



# The Project

- Seven Months in 2004
- 10,000 Documents – May to December 2003
- Identifying transactions processed by Janet and her subordinate at Workstation 318 & 308
- Random sample of S Company transactions processed by others.
- Document EXACTLY how the payments were used to process transactions.



# Transactions by Janet

- Janet performed approximately 2,400 registration and/or title transactions in 2003.
- A small amount of transactions could not be explicitly tied to S Company.
- “Dealer Batch” transactions.
- Instructed subordinate to process similar transactions.



## Transactions by Janet – Cont.

- One batch = One check
- Variance between originating dealer and checks presented.
- Variance between TTL fees and checks presented for payment.
- 100 days studied = misapplication on over 80% of those days.



# Funds Collected & Misapplied

Month	Collected	Misapplied
May-03	\$ 265,742.01	\$ 137,607.70
Jun-03	17,652.65	4,941.46
Jul-03	433,512.89	219,953.38
Aug-03	365,202.67	180,712.58
Sep-03	415,340.69	238,040.75
Oct-03	448,410.83	289,158.37
Nov-03	308,449.28	229,610.89
Dec-03	41,151.45	16,539.27
<b>TOTAL</b>	<b>\$ 2,295,462.47</b>	<b>\$ 1,316,564.40</b>



# **Balancing Daily Transactions**

- Used various funds to balance daily transactions.
- Used “vehicle inquiry fee” and/or “miscellaneous fee” to balance daily transactions.
- End of Day Balancing – All Tax Office Employees.
- End of Day Balancing – Janet Atchison.



# Payment Close Out Report



Texas Department of Transportation



RTS.POS.5213

PAYMENT REPORT  
TARRANT  
FW TITLE SUBSTATION

WORKSTATION ID : 318  
REQUESTED BY : 0219JA1  
CASH DRAWER : 318  
REPORT TYPE: : CLOSE OUT  
TRANSACTIONS FROM : 05/20/2003 17:04:25 THROUGH 05/21/2003 15:17:37



DESCRIPTION	AMOUNT	TOTAL QTY
-----		
SUMMARY FOR CASH DRAWER 318:		
CASH DRAWER OPERATIONS:		
CASH	0.00	
CHECK	22,296.64	22
MONEY ORDER	25.31	1
-----		
TOTAL CASH DRAWER OPERATIONS:	22,321.95	
=====		
TOTAL FOR CASH DRAWER 318:	22,321.95	

. . . END OF REPORT . . .



# Calculator Tape – WS 318

0.\*

50.00+  
803.57+  
341.14+  
178.36+  
7,854.37+  
4,278.16+  
6,212.88+  
2,043.72+  
13.00+  
546.75+  
22,321.95\*

JA  
318  
010

#5.21.03

0.\*



# Transactions and Payments

- Acceptable payment instruments for Tax, Title and License (TTL) fees.
- Check numbers and amounts did not correspond.
- Checks dated months prior to transactions.

# Daily Transactions Processed – Workstation 318 - May 21, 2003

A	B	C	D	E	F
VIN # (Last 6 digits)	300711	114636	115406	024991	207265
Transaction Number	22031837760102803	22031837760102819	22031837760102840	22031837760102201	22031837760102221
Employee ID	0219JA1	0219JA1	0219JA1	0219JA1	0219JA1
Previous Owner	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti
Fees Assessed	530.08	563.90	949.74	1,428.11	2,439.93
Total Fees Assessed for Dealer			2,043.72		
Fees Used to Balance Transactions					
Vehicle Inquiry Fees (Included in Fees Assessed)	-	-	-	-	-
Miscellaneous Fees (Included in Fees Assessed)	-	-	-	-	-
Transfer Fees (Included in Fees Assessed)	-	-	-	-	-
Form 31 Data	V293570	V293580	V293581	V052339	V052340
Form 31 Date of Receipt - Box 1	4/16/2003	4/16/2003	4/16/2003	1/16/2003	1/16/2003
Date of Lien - Box 8	None	None	4/12/2003	1/11/2003	None
Sale's Price	27,999.00	19,525.66	17,999.00	29,025.00	37,714.00
Less: Trade In	19,765.79	11,700.00	4,000.00	7,500.00	-
Taxable Amount	8,233.21	7,825.66	13,999.00	21,525.00	37,714.00
Sales Tax Penalty	-	-	-	-	-
Total Sales Tax Due	514.58	489.10	874.94	1,345.31	2,357.13
Form 31 Altered (Yes/No)	No	No	No	No	No
Sales Tax Category	Sales/Use	Sales/Use	Sales/Use	Sales/Use	Sales/Use
Sales Tax Date fm Tax Receipt	4/16/2003	4/16/2003	4/16/2003	1/16/2003	1/16/2003
Payment Information Indicated on Receipt	2,043.72	-	-	6,212.88	-
Type	CHECK	CHECK	CHECK	CHECK	CHECK
Number (Red Check #'s don't exist for dealer)	39676	39676	39676	39991	39991
Date Issued	4/18/2003	4/18/2003	4/18/2003	5/16/2003	5/16/2003
Issued by	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti
Cumulative Difference by Dealer Over(Short)			-		
Out-of County Transactions (Yes/No)	No	No	No	No	No



# Daily Transactions Processed – Workstation 318 - May 21, 2003

A	F	G	H	I	J
VIN # (Last 6 digits)	207265	315182	108380	207489	207288
Transaction Number	22031837760102221	22031837760102241	22031837760102306	22031837760102324	22031837760102347
Employee ID	0219JA1	0219JA1	0219JA1	0219JA1	0219JA1
Previous Owner	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti
Fees Assessed	2,439.93	2,160.30	1,910.80	2,359.21	1,205.55
Total Fees Assessed for Dealer					11,503.90
Fees Used to Balance Transactions					
Vehicle Inquiry Fees (Included in Fees Assessed)	-	-	-	-	-
Miscellaneous Fees (Included in Fees Assessed)	-	-	-	-	-
Transfer Fees (Included in Fees Assessed)	-	-	-	-	-
Form 31 Data	V052340	V052341	V052342	V052343	V052344
Form 31 Date of Receipt - Box 1	1/16/2003	1/16/2003	1/16/2003	1/16/2003	1/16/2003
Date of Lien - Box 8	None	1/11/2003	1/11/2003	1/3/2003	1/3/2003
Sale's Price	37,714.00	33,240.00	29,248.00	36,422.59	35,963.95
Less: Trade In	-	-	-	-	18,000.00
Taxable Amount	37,714.00	33,240.00	29,248.00	36,422.59	17,963.95
Sales Tax Penalty	-	-	-	-	-
Total Sales Tax Due	2,357.13	2,077.50	1,828.00	2,276.41	1,122.75
Form 31 Altered (Yes/No)	No	No	No	No	No
Sales Tax Category	Sales/Use	Sales/Use	Sales/Use	Sales/Use	Sales/Use
Sales Tax Date fm Tax Receipt	1/16/2003	1/16/2003	1/16/2003	1/16/2003	1/16/2003
Payment Information Indicated on Receipt	-	-	-	-	-
Type	CHECK	CHECK	CHECK	CHECK	CHECK
Number (Red Check #'s don't exist for dealer)	39991	39991	39991	39991	39991
Date Issued	5/16/2003	5/16/2003	5/16/2003	5/16/2003	5/16/2003
Issued by	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti
Cumulative Difference by Dealer Over(Short)					(5,291.02)
Out-of County Transactions (Yes/No)	No	No	No	No	No

# Daily Transactions Processed – Workstation 318 - May 21, 2003

A	K	L	M	N	O
VIN # (Last 6 digits)	315906	001486	305701	303911	116960
Transaction Number	22031837760095722	22031837760095741	22031837760095820	22031837760095852	22031837760104016
Employee ID	0219JA1	0219JA1	0219JA1	0219JA1	0219JA1
Previous Owner	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Grubbs Infiniti	Bankston Ford Frisco
Fees Assessed	82.80	2,953.36	1,495.61	2,113.99	803.57
Total Fees Assessed for Dealer				6,645.76	803.57
Fees Used to Balance Transactions					
Vehicle Inquiry Fees (Included in Fees Assessed)	-	-	-	-	-
Miscellaneous Fees (Included in Fees Assessed)	-	-	-	-	-
Transfer Fees (Included in Fees Assessed)	-	-	-	-	-
Form 31 Data	V270900	V270951	V270952	V270953	V273873
Form 31 Date of Receipt - Box 1	2/19/2003	2/19/2003	2/19/2003	2/19/2003	3/8/2003
Date of Lien - Box 8	2/15/2003	None	2/13/2003	2/15/2003	1/13/2003
Sale's Price	38,375.58	45,929.00	35,855.00	32,499.00	12,609.07
Less: Trade In	43,000.00	-	13,250.00	-	-
Taxable Amount	(4,624.42)	45,929.00	22,605.00	32,499.00	12,609.07
Sales Tax Penalty	-	-	-	-	-
Total Sales Tax Due	-	2,870.56	1,412.81	2,031.19	788.07
Form 31 Altered (Yes/No)	No	No	No	No	No
Sales Tax Category	Sales/Use	Sales/Use	Sales/Use	Sales/Use	Sales/Use
Sales Tax Date fm Tax Receipt	2/19/2003	2/19/2003	2/19/2003	2/19/2003	3/8/2003
Payment Information Indicated on Receipt					
Type	CHECK	CHECK	CHECK	CHECK	CHECK
Number (Red Check #'s don't exist for dealer)	3991	3991	3991	3991	None Listed
Date Issued					
Issued by					
Cumulative Difference by Dealer Over(Short)				(6,645.76)	(803.57)
Out-of County Transactions (Yes/No)	No	No	No	No	Yes



# Daily Transactions Processed – Workstation 318 - May 21, 2003

A	AE	AF	AG	AH	AI
VIN # (Last 6 digits)	116664	936335	338293	106928	<b>Grand Total</b>
Transaction Number	22031837760144554	22031837760093157	22031837760130554	22031837760112423	
Employee ID	0219JA1	0219JA1	0219JA1	0219JA1	
Previous Owner	Title Hearing/Daimler Chrysler Services	Jobie Miller/Daimler Chrysler Services	Title Hearing/Daimler Chrysler Services	Title Hearing/Daimler Chrysler Services	
Fees Assessed	13.00	25.31	13.00	13.00	22,321.95
Total Fees Assessed for Dealer	169.75				
Fees Used to Balance Transactions					
Vehicle Inquiry Fees (Included in Fees Assessed)	-	-	-	-	-
Miscellaneous Fees (Included in Fees Assessed)	-	12.31	-	-	13.06
Transfer Fees (Included in Fees Assessed)	-	-	-	-	-
<b>Form 31 Data</b>					
Form 31 Date of Receipt - Box 1	N/A	N/A	N/A	N/A	
Date of Lien - Box 8	N/A	N/A	N/A	N/A	
Sale's Price	-	-	-	-	
Less: Trade In	-	-	-	-	
Taxable Amount	-	-	-	-	
Sales Tax Penalty	-	-	-	-	
Total Sales Tax Due	-	-	-	-	
Form 31 Altered (Yes/No)	N/A	N/A	N/A	N/A	
Sales Tax Category	Exempt	Exempt	Exempt	Exempt	
Sales Tax Date fm Tax Receipt	4/17/2003	5/15/2003	4/14/2003	4/14/2003	
Payment Information Indicated on Receipt	-	-	-	-	
Type	CHECK	MONEY ORDER	CHECK	CHECK	
Number (Red Check #'s don't exist for dealer)	39676	NOT LISTED	39376	39670	
Date Issued					
Issued by					
Cumulative Difference by Dealer Over(Short)	(169.75)				
Out-of County Transactions (Yes/No)	No	No	No	No	

# Daily Transactions Processed – Workstation 318 - May 21, 2003

Daily Closeout/Balancing	# Per Close Out Rpt.	Amt Per Close Out Rpt	Number of Items	Total Funds Collected
Checks	22	22,296.64	9	22,271.95
Money Orders	1	25.31	1	50.00
Cash		-		-
<b>Total Funds Received</b>		<b>22,321.95</b>		<b>22,321.95</b>



# Allocation of Funds Summary – Workstation 318 – May 21, 2003

	A	B	C	D	E	F	G	H
1								
2								
3	<u>Issuer</u>	<u>Previous Owner</u>	<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Receipt Date</u>	<u>Transactions Processed</u>	<u>Over(Short)</u>
4								
5	Grubbs Infiniti	Grubbs Infiniti	39676	4/18/2003	\$ 2,043.72	5/21/2003	\$ 2,043.72	\$ -
6	Grubbs Infiniti	Grubbs Infiniti	39991	5/16/2003	6,212.88	5/21/2003	11,503.90	(5,291.02)
7	No Check Found	Grubbs Infiniti	None	None	-	5/21/2003	6,645.76	(6,645.76)
8	No Check Found	Bankston Ford Frisco	None	None	-	5/21/2003	803.57	(803.57)
9	No Check Found	Bankston Chrysler Jeep	None	None	-	5/21/2003	544.19	(544.19)
10	Corner Stone Credit Union	Garth Griffiths	013748	5/15/2003	546.75	5/21/2003	546.75	-
11	Corner Stone Credit Union	Barbara/James Applegate	013747	5/15/2003	13.00	5/21/2003	13.00	-
12	No Check Found	Daimler Chrysler Services	None	None	-	5/21/2003	169.75	(169.75)
13	No Money Order Found	Daimler Chrysler Services	None	None	-	5/21/2003	25.31	(25.31)
14	No Check Found	Daimler Chrysler Services	None	None	-	5/21/2003	13.00	(13.00)
15	No Check Found	Daimler Chrysler Services	None	None	-	5/21/2003	13.00	(13.00)
16	Grubbs Infiniti	Unknown	39970	5/15/2003	7,854.37	5/21/2003	-	7,854.37
17	Grubbs Infiniti	Unknown	39969	5/15/2003	4,278.16	5/21/2003	-	4,278.16
18	S Company	Unknown	06-727622583	5/20/2003	50.00	5/21/2003	-	50.00
19	Bankston Ford Frisco	Unknown	48142	1/20/2003	803.57	5/21/2003	-	803.57
20	Bankston Ford Frisco	Unknown	50276	3/31/2003	178.36	5/21/2003	-	178.36
21	Bankston Chrysler Jeep	Unknown	18734	5/7/2003	341.14	5/21/2003	-	341.14
22								
23	<b>Daily Totals</b>				\$ 22,321.95		\$ 22,321.95	\$ 0.00
24								
25			<b>Total Misapplication 5/21/03</b>		<b>\$ 13,505.60</b>		<b>Check Figure</b>	<b>\$ (13,505.60)</b>
26								

# Checks Referenced, but Not Found

<u>Dealer on Receipt</u>	<u>Check Number Referenced</u>	<u>Check Amount Referenced</u>	<u>Total Fees Due &amp; Processed</u>	<u>Receipt Date</u>
Grubbs Infiniti	3991	6645.76	6,645.76	5/21/2003
Bankston Ford Frisco	None listed	803.57	803.57	5/21/2003
Bankston Chrysler Jeep	50276	544.19	544.19	5/21/2003
Daimler Chrysler Services	39676	169.75	169.75	5/21/2003
Daimler Chrysler Services	MONEY ORDER	25.31	25.31	5/21/2003
Daimler Chrysler Services	39376	13.00	13.00	5/21/2003
Daimler Chrysler Services	39670	13.00	13.00	5/21/2003
<b>Totals</b>		<b>8,214.58</b>	<b>8,214.58</b>	



# Work with the District Attorney

- Helped D/A economic crimes investigators, financial analyst, criminal prosecutors and civil attorneys understand how Janet Atchison processed transactions.
- Prepared an affidavit used in the civil bond case.
- Prepared exhibits used in the sentencing hearing for Sabrina Burrus.
- Testified before Judge Young in Sabrina Burrus' sentencing hearing.

# Two indicted on charges of bribery and theft

## 2 indicted on charges of bribery and theft

**MAX B. BAKER** *Star-Telegram Staff Writer*

FORT WORTH--A former Tarrant County tax officer and a local businesswoman who are accused of cheating the county out of more than \$700,000 were indicted Friday on bribery and theft charges.

They are accused of devising a scheme to keep money paid to them to handle tax, title and registration paperwork for auto dealers.

Joe Shannon, chief of the Tarrant County district attorney's economic-crime unit, said the case was the most voluminous his...

**Published on 2005-02-26, Page 1B, Fort Worth Star-Telegram (TX)**



# Tarrant County sues to regain funds lost to fraud

## [Tarrant County sues to regain funds lost to fraud](#)

**MAX B. BAKER STAR-TELEGRAM STAFF WRITER**

FORT WORTH —Tarrant County Tax Assessor-Collector Betsy Price is suing a local businesswoman and an insurance company to recover more than \$767,000 lost in a fraudulent scheme involving vehicle taxes, titles and registrations.

Price is suing Sabrina Burrus and the Hartford Casualty Insurance Co., which holds the policy for Burrus and Price's office, for the money that Burrus and former county employees Janet Atchison and Rebecca Mayfield are accused of...

**Published on 2005-11-24, Page B3, Fort Worth Star-Telegram (TX)**

# Tax scheme left daunting paper trail

## [Tax scheme left daunting paper trail](#)

**MELODY McDONALD STAR-TELEGRAM STAFF WRITER**

FORT WORTH —More than two dozen boxes, crammed with 33,000 financial documents, were stacked in front of the jury box in Judge Everett Young's court Tuesday morning.

The hearing hadn't even started yet, but prosecutors had already managed to make a point: the Sabrina Burrus investigation took a lot of work.

"It is the most document-intensive case this unit has ever handled," said prosecutor Joe Shannon, chief of the...

**Published on 2006-03-22, Page B1, Fort Worth Star-Telegram (TX)**



# Former official is given 35 Years

## Former official is given 35 years

**ANTHONY SPANGLER STAR-TELEGRAM STAFF WRITER**

A former Tarrant County tax office agent was sentenced Wednesday to 35 years in prison for her role in a scheme that bilked the county of more than \$767,000 in fees for vehicle taxes, titles and registrations.

Sabrina Burrus, 51, of Grandview, pleaded guilty in March to theft of property valued between \$100,000 and \$200,000 by a public servant.

In addition to the first-degree felony charge, she also pleaded guilty to bribery and misapplication of fiduciary funds, each carrying a...

**Published on 2006-07-20, Page B1, Fort Worth Star-Telegram (TX)**

# Ex-Tax Office employee sentenced

## Ex-tax office employee sentenced

**MELODY McDONALD STAR-TELEGRAM STAFF WRITER**

FORT WORTH —A former supervisor in the county tax assessor's office has been sentenced to 10 years' probation for her role in a scheme that bilked the county of more than \$750,000 in fees for vehicle taxes, titles and registrations.

Janet Atchison, 51, reached an agreement with prosecutors Tuesday and pleaded guilty to bribery and misapplication of fiduciary property, charges that are each punishable by up to 20 years in prison. In exchange for her...

**Published on 2007-02-21, Page B7, Fort Worth Star-Telegram (TX)**



# Changes in Tax Office Operations

- Tax Office management rotates MV personnel between locations.
- Periodic cross-training and assignment rotations.
- In 2011, a substantial number of long term employees began retiring from both the Motor Vehicle and Property Tax Divisions.



# Lessons Learned

- Use sampling cautiously and trust your gut.
- Fraud schemes can be both simple and complicated.
- A simple comparison of the quantity of instruments collected versus the quantity reported would have detected this fraud.
- Continue to use traditional review procedures when necessary, but add fraud procedures.
- Develop in-depth knowledge of the operations by creating subject matter experts.



# Electronic Files from TXDOT

- In 2004, we obtained paper and electronic records from TXDOT.
- Tarrant County continues to receive electronic files from TXDOT on a weekly basis.
- Electronic files are used to perform continuous monitoring of MV transactions.
- Results are provided to Tax Office staff and exceptions are reviewed for potential problems.
- Process transferred to Tax Office in Fall of 2011.

# Contact Information

- Julie K. Hillhouse
- Senior Internal Auditor
- Tarrant County Auditor's Office
- (817) 884-3567 – Phone
- (817) 884-1104 – Fax
- [jkhillhouse@tarrantcounty.com](mailto:jkhillhouse@tarrantcounty.com)