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Honorable Judge Margaret O'Brien
Justice of Peace, Precinct 2, Place 1
Dallas, Texas

RE: FINAL AUDIT REPORT **Justice of the Peace Precinct 2, Place 1 Audit - FY2025 (April 2025 to September 2025) includes Special Review**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period April 2025 through September 2025 (includes special review for November 2022 through October 2025).

The objectives of the engagement were to:

1. Ensure all unreceipted funds were identified and appropriately resolved.
2. Ensure all funds were accounted for at the time of the review.
3. Ensure all funds collected were receipted and deposited accurately, timely, and in compliance with statutory requirements.
4. Ensure court costs, fines, and fees were accurately assessed and recorded in compliance with statutory requirements.
5. Evaluate internal controls over financial transactions.

Overall Results

This audit revealed systemic internal control weaknesses, including unrecorded funds, missing checks, improper or inaccurate fee adjustments, incomplete documentation, duplicate and dismissed cases without supporting documentation, unauthorized case modifications, excessive deletions without review, processing delays, and inappropriate receipt voids. Further internal control gaps, related to the termination-payroll process resulted in one employee receiving an additional unearned paycheck totaling $2,851 after separating from employment.

We appreciate the cooperation of the department and the staff during our review. If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

Timothy J. Hicks, CPA

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County Auditor

ISSUED: 1/16/2026
RELEASED: FEBRUARY 16, 2026

## REPORTABLE FINDINGS

### 26-IA-JP21-24-01 Special Review - Unreceipted Funds:

On October 17, 2025, the Internal Audit Department was notified that unreceipted funds consisting of two dollars in cash and numerous checks and money orders were discovered in the Chief Clerk's Office of the Justice of the Peace, Precinct 2, Place 1. Subsequent discussions with the Judge revealed that the unreceipted funds were initially identified on October 2, 2025. Some of the unreceipted funds were not available for review by auditors due to the court returning the funds to payers prior to the notification that occurred on October 17, 2025.

Each available check/money order was examined to determine its status as either: (1) stale-dated at the time of review, (2) payable to Dallas County, (3) receipted in Odyssey, or (4) associated with a case payment or service/copy request still in need of processing. The review revealed 476 checks/money orders totaling $19,491, with check dates ranging from December 28, 2020, to September 25, 2025 had not been receipted in Odyssey. Of these,

- 171 checks totaling $16,540 were stale-dated
- 264 non-stale dated checks totaling $600 need to be processed by the court.
- 24 non-stale dated checks totaling $281 were not made payable to "Dallas County"
- 17 non-stale dated checks totaling $2,071 should be returned to the payees due to case dismissals, appeals or incomplete identifying civil case information.

Two additional unreceipted money orders related to appeal bonds totaling $1,138 dated May 9, 2011 (prior administration) were also identified.

<u>Suggested Actions</u>

- Process and deposit the 264 non-stale dated checks discovered in the Chief Clerk's office.
- Establish and document standardized procedures for the receipt, review, processing, deposit, and return of all checks, which include proper segregation of duties and compliance with LGC 113.022.
- Ensure daily logging and supervisory review of all incoming checks to ensure proper payee, case identification, and timely receipting or resolution.
- Implement periodic monitoring to identify and resolve unprocessed or stale-dated checks promptly.
- Ensure checks not payable to Dallas County or lacking proper case documentation are immediately returned to the payee.
- Develop clear routing guidelines for payments that should be forwarded to other departments (e.g., District Clerk).

## REPORTABLE FINDINGS

Management Action Plan

On October 31, 2025, the Chief Clerk was terminated from the department based on the findings. On October 2, 2025, a box of unprocessed documents was found in the Chief Clerk's office when a clerk was looking for a file. It was brought to the Judge's attention that in the box there were some unprocessed filings with old checks attached. Upon further review, we determined that there were several copy requests with one-dollar checks that were not processed timely. These checks were documented by the Court and returned to the sender with complimentary copies. On October 17, 2025, the Court notified the Audit department because upon further review of Chief Clerk's office, more boxes were found with unprocessed documents.

The Chief Clerk did not follow procedures and was not forthcoming when asked about how she was processing documents in accordance with the new systems. The Chief Clerk did not scan documents and avoided fully utilizing the new systems. In addition, the Chief Clerk failed to distribute workload and train other staff members. The Chief Clerk did not properly train any additional clerks and was the only clerk with access for deleting cases and being able to override the new systems. The Judge was not aware the Chief Clerk had not been training other staff or allowing them access to the systems as needed because the Chief Clerk communicated that she had back up and was training staff.

Auditor's Response

- None

### 26-IA-JP21-24-02 JP DA Dismissal:

A special review of cases with District Attorney dismissals was performed. A random statistical sample of 45 out of 326 cases for fiscal years 2023 through 2025 identified missing documentation, incomplete files, and data inconsistencies. Four cases with DA dismissals lacked supporting documents in Odyssey, and the associated paper files could not be located; one case waived the required Failure to Appear fee; one dismissal lacked the DA's signature; and one case contained a motion filed under the wrong case.

This review of cases with District Attorney dismissals also identified that 706 dismissals occurred on May 5th, 2025. An examination of these specific dismissals revealed that these were dismissals for 760 cases that were duplicated in Odyssey on October 16th, 2023. The duplicated cases were previously entered in Mainframe, the court's former case management system. These cases were not individually entered in Odyssey but appear to have been uploaded in bulk on October 16th, 2023, by the former chief clerk. These cases were entered without the appropriate charging instrument, meaning the court had no jurisdiction over the cases, and the cases should never have been filed. This duplication of cases has resulted in

defendants making overpayments totaling $9,268 on cases that should not have been active. Status: Of the 760 duplicated cases, 719 cases have been dismissed, two remain open and 39 cases have been disposed.

Suggested Actions

- Scan and upload case documents to Odyssey. Review to ensure documents are maintained with the appropriate case and present accurate and complete information.
- Review the Odyssey financial balance to ensure all appropriate fees are waived when dismissing a case.
- Convert cases to Odyssey by referencing the Convert Case Quick Reference Guide (QRG).
- Address duplicate payments and convictions with the District Attorney's Office to ensure defendants receive reimbursements for duplicate payments and have their convictions removed appropriately.
- Dismiss the two open duplicated cases, as listed by the District Attorney.
- Develop a checklist to ensure criminal cases are only processed when the charging instrument is filed. Ensure procedures include uploading charging instruments to Odyssey

Management Action Plan

Effective immediately was the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. In addition, on January 21, 2026, the Judge submitted documentation to reflect this issue is not the responsibility of the court.

Auditor's Response

- Every single duplicated case originated from Odyssey. Each case lists the former Chief Clerk as the individual who accepted and filed the case on October 16, 2023. It appears to be a batch entry of cases. The District Attorney's Office only identified cases that were duplicated, not the cause of the error.

## 26-IA-JP21-24-03 JP Dismissed Cases:

A random statistical sample of 45 out of 301 cases dismissed during fiscal years 2023 through 2025 revealed 29 cases lacked a signed Final Judgment; four cases were missing required dismissal documentation; one case dismissed by deferred disposition did not include the citation and complaint in the case file or the Odyssey system; six case files could not be located; and seven cases had inaccurate processing of adjustments related to case conversions and dismissal events, which affected fee assessment and collection.

Suggested Actions

- Scan and upload case documents to Odyssey. Review case documents to ensure documents maintained are accurate and with complete information.
- Review the Odyssey financial balance to ensure all appropriate fees are waived or paid when dismissing a case. Implement a secondary review process for all fee adjustments after deferred dispositions or system conversions.
- Ensure all dismissals include signed final judgments prior to processing.
- Retrain staff on case documentation, dismissal requirements, and Odyssey financial procedures.

Management Action Plan

Effective immediately was the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. The Court has implemented new policies to have checks and balances for case dismissals and completed training on dismissing cases. Also, the chief clerk and lead clerk will oversee dismissals for accuracy in the system. In addition, they will communicate any issues and keep proper documentation in Odyssey for case dismissals. The judge will be alerted to any issues that may lead to transparency issues for the JP 2-1 Court.

Auditor's Response

- None

## 26-IA-JP21-24-04 Case Deletions:

A special review of all case deletions processed between November 2022 through September 2025 revealed 120 case records were deleted from Odyssey (110 civil case and 10 criminal cases). Of these 120 cases, 91 cases (75%) were deleted by the former Chief clerk, revealing a lack of segregation of duties and minimal management review over case deletions at the court. Additionally, seventeen deleted cases did not include a reason for deletion.

Suggested Actions

- In the event that cases require deletion, ensure compliance with the Quick Reference Guide (QRG) for case deletions.
- Implement a review process in which at least two individuals, including the Chief Clerk, review a case deletion before it is processed.

Management Action Plan

Effective immediately, the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. The Court has implemented new policies for case deletions and authority to delete cases. The chief clerk and lead clerk will

handle case deletions, be alerted, and responsible for deleting cases with notes for accuracy in the system. In addition, they will communicate any issues for case deletions so the judge is aware of any issues that may lead to transparency issues for the JP 2-1 Court.

Auditor's Response

- None

## 26-IA-JP21-24-05 Fee Compliance and Manual Override:

A statistical sample of 48 out of 595 traffic-related cases was reviewed to evaluate the accuracy of court costs, fines, and fees. The review revealed five cases in which mandatory transaction fees were not applied to each payment, one case in which a time payment fee was omitted despite the payment being made more than 31 days after the judgment date, and one case that was not correctly converted from the mainframe.

A review of all 19 cases with manual overrides revealed five instances of incorrect fee assessments on converted cases, resulting in inaccurate fee codes and collection amounts, and one case in which conversion errors resulted in a $195 overpayment by the defendant.

Suggested Actions

- Ensure a $2 transaction fee is assessed and collected for each payment processed by the court, including partial payments.
- Ensure collection and reimbursement fees are accurately assessed in accordance with Code of Criminal Procedure Article 102 and 103.
- Review judgment dates to ensure the $15 time payment fee is assessed for cases in which payment is made on or after the 31st day following the judgment date.
- Require Adjustment Authorization forms to be completed whenever an adjustment or manual override is needed.
- Ensure case conversions are reviewed by at least one other staff member to ensure the accuracy of fees assessed.

Management Action Plan

Effective immediately was the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. The Court has implemented new policies to have checks and balances for fee compliance and manual override. The chief clerk and lead clerk will ensure an assigned traffic clerk has been trained to identify proper fee assessment and information for these assessments match the Quick Reference Guide (QRG). In addition, each clerk will be informed of the importance of adding comments to explain any deviations from why the correct assessed fees may have a deviation.

## REPORTABLE FINDINGS

Auditor's Response
- None

### 26-IA-JP21-24-06 Collection Fee Removals:

The review of a statistical sample of 46 out of 351 collection fee removals and adjustments for fiscal year 2025 revealed thirty-two cases in which the adjustment did not have an Adjustment Authorization form or a comment detailing the reason for the adjustment in Odyssey; twenty-six cases in which the supporting documentation for the removal or reduction of the collection fee was not included in Odyssey; five cases in which the case was not properly converted to Odyssey, which affected the assessed fee codes and collections made; and four cases in which the appropriate fee were not assessed per the case fee schedule.

Suggested Actions
- Ensure required supporting documentation is uploaded to Odyssey and a detailed comment is entered prior to adjusting or waiving the collection fee.
- Implement a second review of collection fee adjustments.

Management Action Plan
A response was not provided by the department.

Auditor's Response
- None

### 26-IA-JP21-24-07 Mailed Payments:

A 100% review of the departmental mail log for checks received through the mail during fiscal year 2025 (October 1, 2024, through September 30, 2025) identified significant deficiencies in the processing and recording of mailed payments. Of the 455 checks documented on the mail log, 155 (34%) were not receipted into Odyssey. Among these, 29 checks totaling $3,056 were located in the former Chief Clerk's office, while the remaining 126 checks, totaling $4,815, were not accounted for. Additionally, 93 checks were receipted more than five days after being logged, indicating delays in processing, and 29 mailed payments were incorrectly recorded as counter payments in Odyssey, resulting in inaccurate transaction classification.

**Status:** As of December 12, 2025, the list of 126 checks that were unaccounted for was forwarded to the District Attorney's Public Integrity Unit.

Suggested Actions
- Ensure segregation of duties for receiving, logging, receipting, and safeguarding mailed payments.

- Perform periodic reconciliations between the mail log and Odyssey with documented supervisory review.
- Reinforce compliance with statutory and departmental processing timelines and require escalation of any backlogs.
- Secure all unprocessed payments in controlled, limited-access storage.
- Provide staff training on proper mail-handling, receipting, and transaction classification procedures.
- Increase supervisory monitoring and conduct periodic spot checks to verify ongoing compliance.

Management Action Plan

Effective immediately was the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. The implementation of new procedures and training on the new systems overseen by the chief clerk and lead clerk will address and correct this issue.

Auditor's Response

- None

## 26-IA-JP21-24-08 Adjustments:

A random statistical sample review of 47 out of 462 case adjustments processed between April 1, 2025, and September 30, 2025, identified several control weaknesses in the court's adjustment process. Thirty-four adjustments lacked supporting documentation in Odyssey, and 37 did not include documented explanations detailing the adjustments. Four adjustments were processed incorrectly, leading to inaccurate fee assessments and collections. It was also noted that the court does not utilize the Authorization for Adjustment forms to document, review, and approve charge and payment adjustments, reducing accountability and oversight in the adjustment process.

Suggested Actions

- Upload case documents to Odyssey as events on the case occur.
- Utilize the Authorization for Adjustment form to document management's review and approval of adjustments.
- Consistently update Odyssey with the reason for adjustments.
- Review cases after adjustments to ensure the correct fees are charged. Use a fee schedule to ensure assessed fees are accurate.
- Provide periodic training and monitoring to ensure staff compliance with documentation and approval requirements and to prevent unauthorized or inaccurate case adjustments.

Management Action Plan
Effective immediately was the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. In addition, the Judge has always instructed the Chief Clerk and all clerks to put comments into the system. The Judge consistently has written comments on the file jackets and has always communicated to the staff to write comments on the hard copy file jacket and/or Odyssey. The former Chief Clerk did not follow instructions. The new staff is aware of this process and is following instructions to include all the necessary comments in the Odyssey system.

Auditor's Response
- None

## 26-IA-JP21-24-09 Charge Reductions:

The review of a random statistical sample of 37 out of 123 charge reductions processed between April 1, 2025, and September 30, 2025, revealed 25 charge reductions did not include documented explanations detailing the reductions in Odyssey and seven cases lacked supporting documentation in Odyssey.

Suggested Actions
- Upload case documents to Odyssey as events on the case occur.
- Consistently add case comments to document reasons for charge reductions.
- Provide periodic training and monitoring to ensure staff compliance with documentation and approval requirements and to prevent unauthorized or inaccurate case adjustments.

Management Action Plan
Effective immediately was the termination of the Chief Clerk on October 31, 2025. The full utilization of E-file and Odyssey shall correct these issues. In addition, the Judge has always instructed the Chief Clerk and all clerks to put comments into the system. The Judge consistently has written comments on the file jackets and has always communicated to the staff to write comments on the hard copy file jacket and/or Odyssey. The former Chief Clerk did not follow instructions. The new staff is aware of this process and is following instructions to include all the necessary comments in the Odyssey system.

Auditor's Response
- None

## REPORTABLE FINDINGS

### 26-IA-JP21-24-10 Special Fund Disbursements:

A review of all special fund disbursements issued from the court's special fund account during fiscal year 2025 identified all sixteen checks totaling $12,980 were not posted to Odyssey.

Suggested Actions

- Standardize reconciliation between the general ledger and Odyssey entries. This includes receipts, disbursements, and any cancellations on disbursements that may occur.
- Train designated employee and document special fund reconciliation process.

Management Action Plan

The Lead Clerk and the Bookkeeper attended the Odyssey Special Funds Reconciliation training for five days. During this week of training, JP2-1 court was brought up to date on their special funds' reconciliation through 2025. The next step is to have the reconciled funds distributed. The training for fund distribution has not yet been set.

Auditor's Response

- None

### 26-IA-JP21-24-11 Cash Count:

During a cash count on November 13, 2025, it was observed that a clerk was performing daily cash handling duties using an unlocked drawer, as their till does not have a functioning key.

Suggested Actions

- Immediately submit a work order to replace the missing key.
- Until the key is replaced, secure cash in a locked, restricted-access location.

Management Action Plan

Effective immediately, this clerk has a key to lock drawer with funds. At the time of this finding, the Chief Clerk kept all the keys and extra keys to all the desks and office doors. The new Chief Clerk and Lead Clerk will ensure that all funds are locked and/or stored in the safe.

Auditor's Response

- None

### 26-IA-JP21-24-12 Voided Computer Receipts:

A review of all 14 voided computer receipts revealed one receipt that was voided in error, one receipt that was not re-receipted after the case was filed and a citation issued, and two receipts in which the same user receipted and voided the same payment.

Suggested Actions

- Utilize the Authorization Void form for electronically approving the voided computer receipts within Odyssey to document management's approval.
- Utilize the procedures outlined in the Justice of the Peace Courts - Quick Reference Guide for Financial Voids.

Management Action Plan

Effective immediately, the termination of Chief Clerk on October 31, 2025, and full utilization of E-file and Odyssey shall correct these issues. The implementation of new procedures and training on the new systems overseen by the Chief Clerk and Lead Clerk will address and correct this issue.

Auditor's Response

- None

## 26-IA-JP21-24-13 Information Systems and IT:

A review of user access to the CLASS and Odyssey systems revealed that, as of November 19, 2025, two former employees remained active in both systems. Additionally, one terminated employee remained active and payroll eligible, thus receiving a paycheck for $2,851 that was not due to them. Management initiated corrective actions by submitting service desk tickets to deactivate system access, and the employee's payroll status was subsequently updated to inactive on November 21, 2025.

**Status**: Payroll recovered $2,851 on 12/05/25 for the additional paycheck received by the terminated employee.

Suggested Actions

- Ensure to follow-up with corresponding department for a status on forms submitted for processing.
- Review systems access on a regular basis to ensure only active employees have access.

Management Action Plan

On January 21, 2026, the Judge submitted documentation to reflect that this issue was not the responsibility of the JP 2-1 Court. The correct process was followed.

Auditor's Response

- In addition to following the correct process to request the removal of user access and to terminate an employee, the court has the responsibility to review and follow-up to ensure requests are processed timely.

## REPORTABLE FINDINGS

cc: Darryl Martin, County Administrator