PERFORMANCE AUDIT
OF THE

PROCESS OF ORDERING, COLLECTING, AND APPLYING FEES FROM CRIMINAL PROCEEDINGS

November 2004

05-607-03L

"...The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof."

– Article IV, Section 53 of the Michigan Constitution

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Office of the Auditor General

REPORT SUMMARY

Performance Audit
Process of Ordering, Collecting, and Applying Fees From Criminal Proceedings

Report Number:
05-607-03L

Released:
November 2004

District and circuit courts convict individuals of misdemeanor and felony criminal offenses and order the individuals to pay fees or assessments as part of their sentences. There are numerous entities involved in the process of ordering, collecting, and applying fees from criminal proceedings. The entities that play a primary role and whose records were included within the scope of this audit are the Michigan Supreme Court, the State Court Administrative Office (SCAO), district courts, circuit courts, county clerks, and the Department of Corrections (DOC).

Audit Objective:
To determine if district and circuit courts ordered individuals convicted of felonies and serious misdemeanors or specified misdemeanors to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Audit Conclusion:
We determined that district and circuit courts generally ordered individuals convicted of felonies and serious misdemeanors or specified misdemeanors to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Reportable Condition:
District and circuit courts did not consistently comply with the *Michigan Compiled Laws* when ordering defendants to pay assessments. The SCAO needs to provide additional direction and guidance to the district and circuit courts to assist the courts in complying with statutory requirements. (Finding 1)

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Audit Objective:
To determine if district courts, circuit courts, and county clerks collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Audit Conclusion:
We determined that district courts, circuit courts, and county clerks generally collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Reportable Conditions:
The circuit courts need to improve the accuracy and completeness of their financial account records related to criminal assessments. The SCAO needs to provide additional guidance to the circuit courts to assist the courts in maintaining accurate financial records related to criminal assessments. (Finding 2)

District and circuit courts did not consistently comply with the *Michigan Compiled Laws* or the *Michigan Court Administration Reference Guide* when applying payments received from defendants. The SCAO needs to provide additional direction and guidance to the district and circuit courts to assist the courts in complying with statutory requirements and SCAO guidelines. (Finding 3)

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Audit Objective:
To determine if DOC collected and applied payments received from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Audit Conclusion:
We determined that DOC generally collected and applied payments received from persons ordered to pay restitution and probation and parole supervision fees arising out of criminal proceedings as required by law.

Reportable Conditions:
DOC needs to improve its monitoring of probationers' and parolees' payments of court assessments and probation and parole supervision fees (Finding 4).

DOC did not consistently record offenders' restitution amounts in its Trust Accounting Payroll System (Finding 5).

DOC did not apply payments received from probationers and parolees as required by Section 775.22 of the *Michigan Compiled Laws*. Also, the *Michigan Compiled Laws* do not contain specific language authorizing DOC to collect costs, fines, assessments, and other payments arising out of criminal proceedings from prisoners. (Finding 6)

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Agency Response:
Our report contains 3 findings and 3 corresponding recommendations directed to the SCAO and 3 findings and 4 corresponding recommendations directed to DOC. The SCAO responded that it agrees with the 3 recommendations and has initiated corrective action. DOC responded that it agrees with 2 recommendations (Findings 5 and 6) and will initiate corrective action. DOC also responded that it partially disagrees with 2 recommendations (Findings 4 and 6) and that it will initiate corrective action for those portions with which it agrees.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: http://audgen.michigan.gov

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November 19, 2004

The Honorable Maura D. Corrigan
Chief Justice of the Michigan Supreme Court
and
Mr. John D. Ferry, Jr.
State Court Administrator
Michigan Supreme Court
Michigan Hall of Justice
Lansing, Michigan
and
Ms. Patricia L. Caruso, Director
Department of Corrections
Grandview Plaza
Lansing, Michigan

Dear Chief Justice Corrigan, Mr. Ferry, and Ms. Caruso:

This is our report on the performance audit of the Process of Ordering, Collecting, and Applying Fees From Criminal Proceedings.

This report contains our report summary; description; audit objectives, scope, methodology and agency responses; comments, findings, recommendations, and agency preliminary responses; various exhibits, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork.

Certain findings included in this performance audit report specifically relate to activities occurring within the district and circuit courts. Although the State Court Administrative Office (SCAO) may not be directly responsible for these functions, we have addressed these findings and related recommendations to the SCAO for corrective action, consistent with the Michigan Supreme Court's responsibility for the general administrative supervision of all courts in the State and the SCAO's role in carrying out this responsibility.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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Description

District and circuit courts convict individuals of misdemeanor* and felony* criminal offenses* and order the individuals to pay fees or assessments as part of their sentences*. These assessments include statutorily required amounts, such as restitution*, crime victim's assessments*, DNA (deoxyribonucleic acid) assessments, and, in circuit court, probation* supervision fees. The assessments also include statutorily allowed amounts, such as court costs, fines, and attorney fees. Exhibit A, presented as supplemental information, provides further information on these assessments.

There are numerous entities involved in the process of ordering, collecting, and applying fees from criminal proceedings. The entities that play a primary role and whose records were included within the scope of this audit are the Michigan Supreme Court, the State Court Administrative Office, district courts, circuit courts, county clerks, and the Department of Corrections (DOC).

The following narrative describes each entity and its role in the process:

a. Michigan Supreme Court and State Court Administrative Office

The Michigan Supreme Court is responsible for the general administrative supervision of all courts in the State. Also, the Supreme Court establishes rules for practice and procedure in all courts through the State Court Administrative Office (SCAO). The SCAO's mission* is to provide leadership and to promote effective, efficient, equitable, uniform, and accessible court and justice system services to advance the highest quality of justice in Michigan. The SCAO performs its duties under the direction of the Supreme Court and is responsible for providing administrative oversight and management or technical assistance to the judges and staff of Michigan's 244 trial courts. Examples of SCAO's oversight and assistance are: establishing, maintaining, and implementing performance and procedural standards for trial court administration; developing and implementing forms; preparing and distributing information; and monitoring the implementation of recommended changes in trial court operations.

** See glossary at end of report for definition.*

b. District Courts

District courts have jurisdiction in misdemeanor criminal cases for which punishment does not exceed one year in jail. The 104 district courts are responsible for sentencing offenders* convicted in criminal proceedings. Sentences include probation, incarceration, financial assessments (restitution, crime victim's assessments, costs, fines, probation supervision costs, and other payments), or any combination thereof. The district courts are responsible for supervising the defendants* placed on probation and collecting and distributing financial assessments.

c. Circuit Courts

Circuit courts have jurisdiction in all felony criminal cases and certain misdemeanors. The 57 circuit courts are responsible for ordering the restitution, crime victim's assessments, costs, fines, probation supervision fees, assessments, and other payments as part of the sentence for a convicted defendant and reviewing and acting upon probation violation reports and restitution nonpayment reports. Sentences also include probation, alternative programs, and incarceration in jail or prison.

d. County Clerks

County clerks are elected officials who are responsible for serving as the clerks of the circuit courts in addition to other responsibilities. They are generally responsible for maintaining the records of court proceedings, including court orders, and for collecting and applying the victim payments, costs, fines, assessments, and other payments on behalf of the circuit court.

e. DOC's Correctional Facilities Administration

The Correctional Facilities Administration assumes custody of those defendants ordered to prison. DOC is statutorily required to deduct 50% of the funds received by a prisoner in a month over $50 for payment of restitution and to remit the money to the court on behalf of the prisoner. This statute applies only to restitution, no other court-assessed payments.

** See glossary at end of report for definition.*

f. DOC's Parole Board

The Parole Board is responsible for deciding which prisoners are released on parole, for ordering the parole supervision fee, and for preparing the parole order that allows for their release.

g. DOC's Field Operations Administration (FOA)

FOA is responsible for defendants ordered to serve probation. FOA field agents are responsible for supervising defendants sentenced to probation and ensuring that they comply with the conditions of probation stated in the probation orders. FOA field agents do not collect any money from probationers*. Probationers who are subject to a probation supervision fee drop the payment into a locked box at the probation office or mail it directly to one of three regional field offices. Probationers who owe restitution or other money to the court are expected to remit payments directly to the court or its designee.

FOA is responsible for those prisoners released on parole before serving the duration of their sentences. FOA field agents are responsible for supervising parolees* and ensuring that the parolees comply with the conditions of parole stated in the parole orders. FOA field agents do not collect any money from parolees. Parolees who are subject to a parole supervision fee drop the payment into a locked box at the parole office or mail it directly to one of three regional field offices. Parolees who owe restitution or other money to the court are expected to pay the court directly.

The Crime Victim Services Commission (CVSC) is another entity that is significantly impacted by the process of ordering, collecting, and applying fees from criminal proceedings. CVSC was not audited as part of this performance audit; however, its importance in the process is worthy of mention because of the effect the process has upon CVSC's ability to achieve its goals*. CVSC is a State agency charged with overseeing a wide range of services and funding for victims of crime. Its goal is to promote services that enhance the health, safety, dignity, and rights of victims of crime across the State. CVSC is empowered to investigate and determine claims for crime victim compensation; to monitor, evaluate, and coordinate State and local victim assistance programs; to determine and administer revenues and assessments required in support of services under the Crime Victims Rights Services Act; and to administer federal funds under the Victims of Crime Act of 1984. As part of the Crime Victims

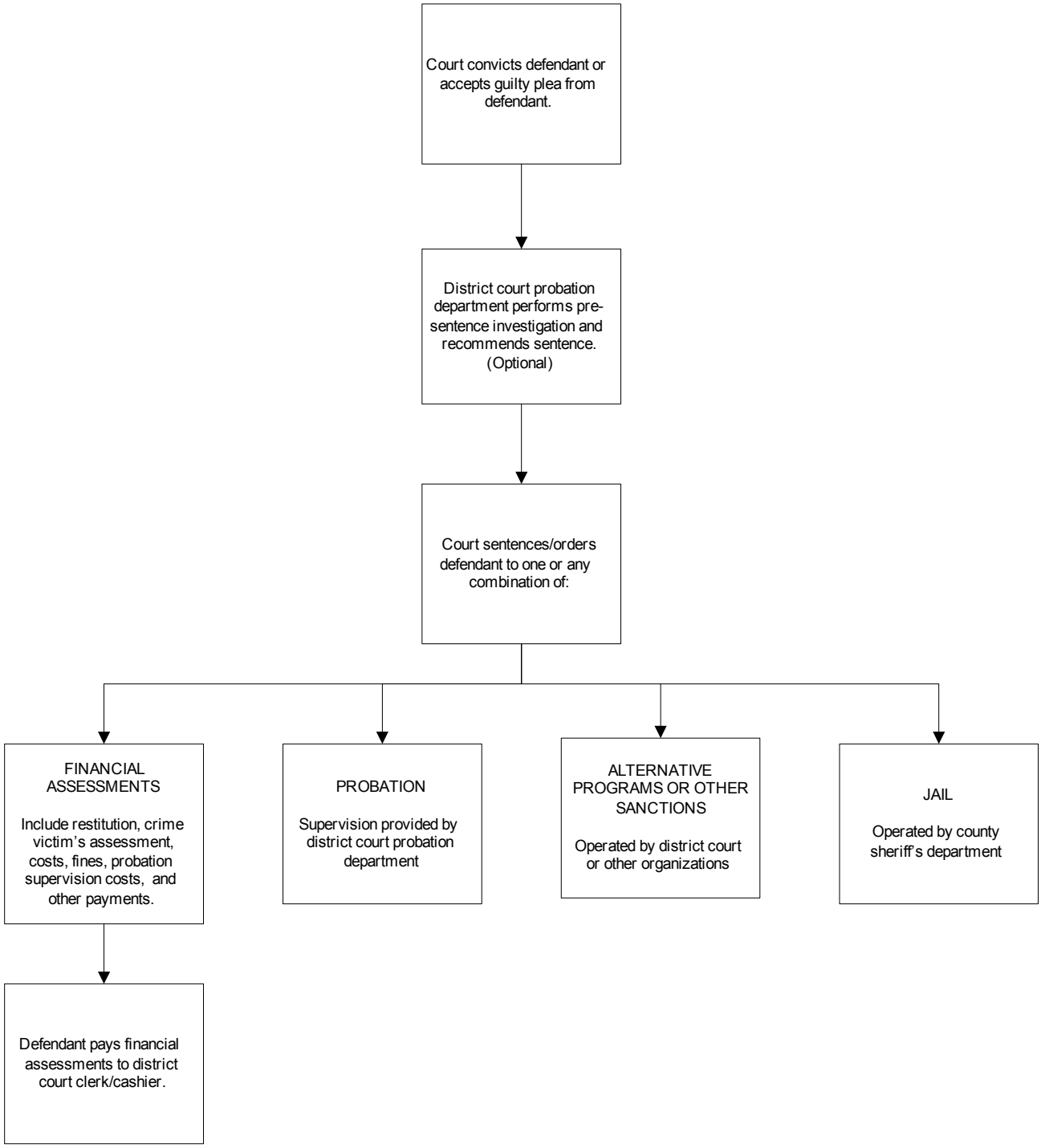
** See glossary at end of report for definition.*

Rights Services Act, the Legislature adopted Section 780.905 of the *Michigan Compiled Laws* to provide funding for crime victim's rights services provided by CVSC. CVSC received approximately $7.2 million and expended approximately $7.3 million of crime victim's assessments in the fiscal year ended September 30, 2003. The expenditures included grants to prosecutors, sheriffs, and juvenile courts ($5.3 million); compensation to individual crime victims ($1.6 million); and CVSC administration ($.4 million).

The flow charts at the end of this description illustrate the activity flow and responsible entities for a criminal case in district court and circuit court, respectively, from the point of conviction* forward.

** See glossary at end of report for definition.*

DISTRICT COURT
Post Conviction Process for Adult Criminal Offenders



CIRCUIT COURT
Post Conviction Process for Adult Criminal Offenders

05-607-03L

Audit Objectives, Scope, and Methodology and Agency Responses

Audit Objectives

Our performance audit* of the Process of Ordering, Collecting, and Applying Fees From Criminal Proceedings had the following objectives:

1. To determine if district and circuit courts ordered individuals convicted of felonies and serious misdemeanors* or specified misdemeanors* to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

2. To determine if district courts, circuit courts, and county clerks collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

3. To determine if the Department of Corrections (DOC) collected and applied payments received from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

This performance audit was initiated upon a legislative request for information.

Audit Scope

Our audit scope was to examine the program and other records of district courts, circuit courts, county clerks, and the Department of Corrections. The scope of our audit did not include alternative programs operated by district courts or community-based organizations and jails operated by county sheriffs' departments. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

** See glossary at end of report for definition.*

Audit Methodology

Our audit procedures, conducted from April 2003 through February 2004, included examination of district courts', circuit courts', county clerks', and DOC's records and activities primarily for the period October 1, 2000 through November 30, 2003. We reviewed court case files for defendants sentenced prior to October 1, 2003.

Our methodology included a preliminary review of the various entities' operations to gain an understanding of their activities. This included a review of applicable laws, policies and procedures, and other information to gain an understanding of the controls related to the ordering, collecting, and applying process. We interviewed the State Court Administrative Office's (SCAO's) Trial Court Services and Internal Audit personnel and reviewed SCAO documents, such as internal audits, the *Michigan Court Administration Reference Guide*, Michigan Court Rules, and the Trial Court Collection Policy Guidelines.

The following table shows the misdemeanor and felony court caseloads* in the State and in each of the 6 counties reviewed during our audit as of December 31, 2002:

	Statewide	Clinton County	Genesee County	Jackson County	Ottawa County	Wayne County	Wexford County
Misdemeanor caseload	604,426	2,024	19,065	11,348	6,255	228,218	1,197
Percentage of Statewide misdemeanor caseload	100.00%	0.33%	3.15%	1.88%	1.03%	37.76%	0.20%
Felony caseload	81,757	251	2,334	1,143	1,363	22,308	224
Percentage of Statewide felony caseload	100.00%	0.31%	2.85%	1.40%	1.67%	27.29%	0.27%

Source: One Court of Justice, Michigan Supreme Court, Annual Report 2002.

We made site visits to 12 courts (one district and one circuit court in each of the 6 counties selected for review). The 12 courts were selected based on factors such as the county population, per capita income levels, racial representation, and court caseload size.

** See glossary at end of report for definition.*

The following table shows the population and median per capita personal income of the counties selected for review:

	Statewide	Clinton County	Genesee County	Jackson County	Ottawa County	Wayne County	Wexford County
Population in 2000	9,746,088	63,995	426,622	155,668	234,784	2,009,893	30,151
Percentage of Statewide population	100.0%	0.66%	4.38%	1.60%	2.41%	20.62%	0.31%
Median per capita personal income	$22,154	$26,797	$25,217	$24,357	$28,033	$28,029	$21,781

Sources: Population: 2000 U.S. Census of Population and Housing, Summary File 1.
Per capita personal income: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economics Analysis, Issued May 2002.

We considered the type of computer system used to maintain the case records: 6 courts used a system developed in house by the court or county, 5 used the Judicial Information System, and 1 used the Judicial Management System.

To accomplish our first objective, we selected a sample of criminal convictions and the corresponding sentences ordered during each site visit. We examined court records of the restitution, costs, fines, probation supervision fees, assessments, and other payments ordered by the court and tested compliance with the statutory requirements for the ordering of restitution, crime victim's assessments, DNA (deoxyribonucleic acid) assessments, and probation supervision fees.

To accomplish our second and third objectives, we performed procedures on a sample of individuals who were on probation, in prison, or on parole at the time of our audit. The procedures included examinations of payment records, payment application records, DOC prisoner account records, and probation and parole supervision case notes for compliance with statutory requirements and DOC policy and procedure requirements.

Certain findings included in this performance audit report specifically relate to activities occurring within the district and circuit courts. Although the SCAO may not be directly responsible for these functions, we have addressed these findings and recommendations to the SCAO for corrective action, consistent with the Michigan Supreme Court's responsibility for the general administrative supervision of all courts in the State and the SCAO's role in carrying out this responsibility.

Agency Responses

Our report contains 3 findings and 3 corresponding recommendations directed to the SCAO and 3 findings and 4 corresponding recommendations directed to DOC. The SCAO responded that it agrees with the 3 recommendations and has initiated corrective action. DOC responded that it agrees with 2 recommendations (Findings 5 and 6) and will initiate corrective action. DOC also responded that it partially disagrees with 2 recommendations (Findings 4 and 6) and that it will initiate corrective action for those portions with which it agrees.

The agency preliminary response that follows each recommendation in our report was taken from the agencies' written comments and oral discussions subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require DOC to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

ORDERING ASSESSMENTS

COMMENT

Background: District and circuit courts may order many different assessments in relation to a criminal proceeding, including, but not limited to, court costs, attorney fees, and fines. Sentences for crimes may include probation, incarceration, fines, or any combination thereof. The courts are statutorily required to order such assessments as restitution, crime victim's assessments, DNA (deoxyribonucleic acid) assessments, and, in circuit court, probation supervision fees.

The Crime Victims Rights Services Act requires an assessment on certain convictions, mandates an order for applying payments made by defendants toward court-ordered financial assessments, and establishes a commission to provide services to crime victims. The Crime Victim Services Commission relies extensively on the revenue generated from the ordering of the crime victim's assessments to help victims of crime. Therefore, it is essential that the courts order the crime victim's assessments as the law requires.

Audit Objective: To determine if district and circuit courts ordered individuals convicted of felonies and serious misdemeanor or specified misdemeanors to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Conclusion: We determined that district and circuit courts generally ordered individuals convicted of felonies and serious misdemeanors or specified misdemeanors to pay restitution, costs, fines, probation supervision fees, assessments, and other payments arising out of criminal proceedings as required by law. However, we noted a reportable condition* related to the ordering of statutorily required assessments (Finding 1).

FINDING

1. **Ordering of Statutorily Required Assessments**

   District and circuit courts did not consistently comply with the *Michigan Compiled Laws* when ordering defendants to pay assessments. The State Court Administrative Office (SCAO) needs to provide additional direction and guidance to

** See glossary at end of report for definition*

the district and circuit courts to assist the courts in complying with statutory requirements.

The lack of statutory compliance in ordering assessments resulted in reduced funding to such activities as crime victim's rights services and DNA testing and also resulted in defendants being liable for assessments that were not legally required.

Section 780.905 of the *Michigan Compiled Laws* states that the court shall order each person convicted of a felony to pay an assessment of $60 and each person convicted of a serious or specified misdemeanor to pay an assessment of $50. It further states that the court shall order a defendant only one crime victim's assessment per criminal case.

Section 750.520m(6) of the *Michigan Compiled Laws* states that the court shall order each person convicted of a felony or an attempted felony, or any of the misdemeanors listed in Section 750.520m(1) of the *Michigan Compiled Laws*, to pay an assessment of $60 until October 1, 2003.

Our review of 351 cases at 6 district courts and 290 cases at 6 circuit courts disclosed:

a. The 6 district courts did not order the crime victim's assessment in 53 (15.1%) cases. Three of the circuit courts did not order the crime victim's assessment in 15 (5.2%) cases. During our site visits, court personnel explained that the court often will not order assessments for those defendants sentenced to jail or prison because of the perception that they will be unable to pay the assessments.

b. Five district courts suspended, reversed, or waived the crime victim's assessment for 17 (4.8%) cases. Two circuit courts suspended, reversed, or waived the crime victim's assessment for 3 (1.0%) cases.

c. Two district courts ordered the crime victim's assessment for each convicted offense within a single case in 2 (0.6%) cases. Two circuit courts ordered the crime victim's assessment for each convicted offense within a single case in 4 (1.4%) cases.

d. Two district courts ordered the crime victim's assessment on misdemeanors that were not serious or specified in 4 (1.1%) cases. One circuit court ordered the crime victim's assessment on misdemeanors that were not serious or specified in 1 (0.3%) case.

e. One district court ordered the wrong amount for the assessment in 2 (0.6%) cases. Five circuit courts ordered the wrong amount for the assessment in 14 (4.8%) cases.

f. The 6 circuit courts did not assess the DNA assessment in 67 (40.9%) of 164 cases that were subject to a DNA assessment. Also, 2 courts ordered the assessment when it was not required in 2 (1.2%) cases and waived or reversed the assessment in 2 (1.2%) cases. We did not test compliance with this requirement in the district courts because they generally do not have any convictions meeting the criteria.

g. Three circuit courts did not assess the probation supervision fees in 8 (5.3%) of 150 cases for which the Department of Corrections (DOC) recommended a probation supervision fee.

RECOMMENDATION

We recommend that the SCAO provide additional direction and guidance to the district and circuit courts to assist the courts in complying with statutory requirements.

AGENCY PRELIMINARY RESPONSE

The SCAO agrees and points out that the Michigan Supreme Court and the SCAO had already addressed many of the recommendations through statutory changes before the Office of the Auditor General released this audit report.

As part of the fiscal year 2003-04 budget process, the Supreme Court, through the SCAO, proposed statutory changes to consolidate various State costs and assessments into a single amount. The resulting legislation created the State minimum cost assessment and took effect on October 1, 2003. As noted above, the Office of the Auditor General's review covered case files for defendants sentenced before October 1, 2003. The SCAO believes that this new fee structure has simplified the process for courts and has resulted in improved assessment and

collections. Also, the SCAO stated that it developed a systematic review process to determine if trial courts are following statutes and court rules that govern assessment and enforcement of fines, costs, and fees. The SCAO added that it has tested the review process and has begun conducting reviews. Additionally, the SCAO and the Supreme Court audit division continue to work with courts to assist the courts in statutory compliance by: performing internal audits of Michigan trial courts, reviewing court monthly revenue transmittal information to identify potential problems, establishing and distributing the Trial Court Collection Policy Guidelines, and informing trial courts of fines and fees assessment requirement changes by e-mail or by updating the schedule on the Web site. Finally, the SCAO is evaluating the use of tax intercept and other debt collection services available through the Department of Treasury.

COLLECTING AND APPLYING PAYMENTS

COMMENT

Background: Section 775.22 of the *Michigan Compiled Laws* provides an application method that is to be followed whenever money is collected from a defendant convicted in a criminal proceeding. Specifically, if a person is subject to any combination of restitution, costs, fines, probation or parole supervision fees, assessments, or other payments arising out of the same criminal proceeding, 50% of the money collected from that person must be applied toward victim payments. The remaining 50% of the money collected must be applied in the following order: costs, fines, probation or parole supervision fees, and assessments and other payments. Section 775.22 further explains that "victim payment" means restitution ordered to be paid to the victim or an assessment ordered under Section 780.905 of the *Michigan Compiled Laws* (referred to in this report as the "crime victim's assessment").

DISTRICT COURTS, CIRCUIT COURTS, AND COUNTY CLERKS

Audit Objective: To determine if district courts, circuit courts, and county clerks collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Conclusion: We determined that district courts, circuit courts, and county clerks generally collected and applied payments from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law. However, we noted reportable conditions related to the accuracy and completeness of financial account records and the application of payments by the courts (Findings 2 and 3).

FINDING

2. Accuracy and Completeness of Financial Account Records

The circuit courts need to improve the accuracy and completeness of their financial account records related to criminal assessments. The SCAO needs to provide additional guidance to the circuit courts to assist the courts in maintaining accurate financial records related to criminal assessments.

Incomplete and inaccurate financial account records can result in undercollection of assessments from defendants. Our audit disclosed $9,410 of assessments that were not recorded in the financial account records. Complete and accurate financial records help to reduce the risk that errors and irregularities could occur and not be detected and corrected in a timely manner.

Of the 6 circuit courts we visited, 2 courts had incomplete and inaccurate reports:

a. In the first court, 15 (34.1%) of 44 cases reviewed had discrepancies, such as differing amounts between the court orders and financial account records, amounts in the court orders that were not entered on the financial account records, and amounts on the financial account records that were not in the court orders. For example, in 1 case, the court order indicated a $60 crime victim's assessment, but the financial account record indicated a $1,710 crime victim's assessment. Also, there were no financial account records for 9 (20.5%) of the 44 cases reviewed. The amount ordered on these 9 cases totaled $660.

   The county controller's office personnel informed us that they receive the order of probation from the court and create a financial account record for the defendants ordered probation. They indicated that they do not regularly receive the judgment of sentence documents from the court so most of those defendants sentenced to jail, prison, or alternative programming and those

defendants ordered only to pay financial assessments do not have a financial account record.

b. In the second court, 24 (30.8%) of 78 cases reviewed had discrepancies, such as differing amounts between the court orders and financial account records, amounts in the court orders that were not entered on the financial account records, and amounts on the financial account records that were not in the court orders. For example, in 1 case, the court order indicated $818 in restitution, but the financial account record did not reflect any restitution ordered. Also, there were no financial account records for 31 (39.7%) of the 78 cases reviewed. The amount ordered on these 31 cases totaled $8,750.

The county clerk's fiscal unit personnel informed us that they receive the order of probation from DOC and create a financial account record for each defendant who is ordered probation. The county clerk's office is also responsible for maintaining the files containing the court orders (judgment of sentence and order of probation); however, the files are maintained by a different section of the organization, the court clerks' division. The fiscal unit personnel indicated that they do not regularly receive the judgment of sentence documents from the court clerks' division and would only enter an account for those defendants sentenced to jail, prison, or alternative programming and those defendants ordered only financial assessments if they made a payment.

RECOMMENDATION

We recommend that the SCAO provide the circuit courts with additional guidance to assist the courts in maintaining accurate financial records related to criminal assessments.

AGENCY PRELIMINARY RESPONSE

The SCAO agrees and has initiated measures to comply with the recommendation.

The SCAO informed us that it has been working with individual courts to improve financial recordkeeping and management. Planned software enhancements will also help courts manage financial information. Additionally, the Michigan Supreme Court audit division completed nine financial audits of trial courts in fiscal year 2003-04 and has eight more audits in progress.

FINDING

3. Application of Payments by the Courts

District and circuit courts did not consistently comply with the *Michigan Compiled Laws* or the *Michigan Court Administration Reference Guide* when applying payments received from defendants. The SCAO needs to provide additional direction and guidance to the district and circuit courts to assist the courts in complying with statutory requirements and SCAO guidelines.

When the courts do not apply payments properly and timely, it causes further hardship for victims and impacts funding for the courts.

Section 775.22 of the *Michigan Compiled Laws* provides an application method that is to be followed whenever money is collected from a defendant convicted in a criminal proceeding. It states that if a person is subject to any combination of restitution, costs, fines, probation or parole supervision fees, assessments, or other payments arising out of the same criminal proceeding, 50% of the money collected from that person must be applied toward victim payments. The remaining 50% of the money collected from that person must be applied in the following order: costs, fines, probation or parole supervision fees, and assessments and other payments.

Section 780.905 of the *Michigan Compiled Laws* requires that the courts remit the crime victim's assessment to the State once a month. The *Michigan Court Administration Reference Guide* recommends that the courts distribute restitution payments to crime victims at least monthly.

At the 6 districts courts and 6 circuit courts, we reviewed 246 and 124 cases, respectively, for which payments were collected by the courts. Our review disclosed:

a. In 69 (18.6%) cases, the 6 district courts and 5 circuit courts did not apply 50% to victim payments and 50% to other payments in accordance with the law. Three of the courts applied payments 100% to victim payments until such obligations were fulfilled. The remaining 8 courts had a variety of ways in which they applied payments, including allocating the payment to court costs, attorney fees, costs and fines, other assessments, and the crime victim's assessment and costs.

b. In 23 (6.2%) cases, 4 district courts and 3 circuit courts did not apply the payments in accordance with the priority order established by law. The courts had a variety of ways in which they applied payments, including applying payments to fines before costs, probation supervision fees before fines, other assessments before costs, and other assessments before fines.

c. Three circuit courts distributed restitution payments to victims on a quarterly basis instead of monthly.

RECOMMENDATION

We recommend that the SCAO provide additional direction and guidance to the district and circuit courts to assist the courts in complying with statutory requirements and the *Michigan Court Administration Reference Guide*.

AGENCY PRELIMINARY RESPONSE

The SCAO agrees and has initiated measures to comply with the recommendation.

In July 2004, the Chief Justice of the Michigan Supreme Court convened the Collections Advisory Committee, a select committee comprised of judges and a court administrator. The Committee is charged with raising State trial judges' awareness about collections issues, promoting effective collections practices, and recommending legislative changes. The Committee will also review and supplement guidelines for collections management information. Additionally, in March 2004, the SCAO created the position of Trial Court Collections Project Manager to work with trial courts on collection projects and initiatives. Further, in April 2004, the SCAO convened a workgroup to design reports that would provide better collection management information for local courts and the SCAO.

DEPARTMENT OF CORRECTIONS

Audit Objective: To determine if DOC collected and applied payments received from persons ordered to pay restitution, costs, fines, probation and parole supervision fees, assessments, and other payments arising out of criminal proceedings as required by law.

Conclusion: We determined that DOC generally collected and applied payments received from persons ordered to pay restitution and probation and parole supervision fees arising out of criminal proceedings as required by law. DOC does not have the statutory authority to collect costs, fines, assessments, and other payments arising out of criminal proceedings. We noted reportable conditions related to probation and parole monitoring, collection of restitution from prisoner accounts, and collection and application of payments (Findings 4 through 6).

FINDING

4. Probation and Parole Monitoring

DOC needs to improve its monitoring of probationers' and parolees' payments of court assessments and probation and parole supervision fees.

A lack of monitoring probationers' and parolees' compliance with the financial assessment requirements in probation and parole orders may result in lower collections of criminal assessments. A lack of data in the supervision fee payment system may result in lower collection of supervision fees.

DOC policy directive 06.04.130 requires that DOC field agents monitor probationers' and parolees' compliance with the conditions of their probation and parole orders. Our review of DOC field agent case notes disclosed:

a. For 46 (39.3%) of 117 cases reviewed, DOC field agents did not conduct the required restitution reviews. Section 780.766 of the *Michigan Compiled Laws* and DOC policy directive 04.02.107 require that DOC review each probationer's or parolee's restitution payment status and report any instances of nonpayment along with a recommendation for court action to the court every six months.

b. For 77 (34.8%) of 221 cases reviewed, DOC field agents did not conduct the required monthly payment reviews. DOC Field Operations Administration Memorandums 1999-03 and 1999-04 require that field agents discuss the probationers' and parolees' payment obligation and status on a monthly basis.

c. For 146 (66.1%) of 221 cases reviewed, there was no indication that the field agents had contacted the court to obtain the payment status or had reviewed any other evidence of payment status, such as receipts issued by the court.

Although DOC policies do not require field agents to contact the court to verify payment status on court-ordered assessments, not doing so places undue reliance on the word of the probationer or parolee as verification of compliance with the conditions of probation or parole.

d. In 32 (76.2%) of 42 cases reviewed in one circuit court, there was no indication that DOC field agents had attempted to contact the victim in order to establish restitution amounts when the judge ordered restitution as "amount to be determined." In cases that field agents had attempted to contact the victims, the time elapsed between the conviction date and the date of attempted contact ranged from 10 days to 26 months, with the median being 3 months.

   DOC operating procedure 06.04.140 requires field agents to contact the victim and obtain restitution information as part of the pre-sentence investigation but does not establish a timing requirement. However, DOC's Field Operations Administration (FOA) informed us that field agents are expected to obtain the victim information within 30 days after the case has been assigned to them, adding that it believes that the county's prosecuting attorney is primarily responsible for obtaining restitution information from the victim.

e. In 47 (33.1%) of 142 cases in which probation supervision fees had been ordered, DOC's supervision fee payment system did not contain records of the amounts ordered or any corresponding payments. Without accurate data in the payment system, DOC cannot collect the fees that are owed by probationers. Section 791.225a of the *Michigan Compiled Laws* requires that DOC maintain records of the supervision fees ordered by the courts and the payments related to those fees ordered. DOC policy directive 06.02.110 requires that the regional fee collection units maintain records of the probationers who were ordered to pay supervision fees and the payments received. The regional fee collection units are responsible for generating reports showing unpaid balances and forwarding those reports to the field agents for follow-up with the probationers.

RECOMMENDATION

We recommend that DOC improve its monitoring of probationers' and parolees' payments of court assessments and probation and parole supervision fees.

AGENCY PRELIMINARY RESPONSE

Regarding items a., b., and c., DOC agrees and will take steps to improve documentation of monthly and biannual payment reviews. In cases where the probationer or parolee claim to have made payment, DOC will instruct field agents to document verification of payment status at least biannually.

Regarding item d., DOC disagrees. DOC does not have responsibility for determining restitution. Prosecutors, victims, and victim advocates should seek to amend orders when restitution amounts become known. DOC stated that FOA agents have been instructed to recommend zero restitution when the restitution amount cannot be determined at the time of sentencing, but courts do not always comply. FOA will reinforce its instruction.

Regarding item e., DOC agrees and will take steps to improve compliance regarding payment tracking of probation supervision fees.

FINDING

5. Collection of Restitution From Prisoner Accounts

DOC did not consistently record offenders' restitution amounts in its Trust Accounting Payroll System (TAPS).

As a result, DOC was not collecting restitution from some prisoners and victims were not receiving payments as required by law.

TAPS is the accounting system used by DOC for tracking prisoner accounts. If an offender's ordered restitution amount is not recorded in TAPS, DOC would not deduct any money from the prisoner account to remit to the court for the restitution owed. Our review of 112 cases in which the prisoner was ordered to pay restitution disclosed:

a. In 13 (11.6%) cases, DOC did not have the offender's ordered restitution amount in TAPS. All 13 offenders could have made payments toward the restitution that they owed had it been deducted from their accounts. The total amount that could have been collected was approximately $2,600 between October 1, 2000 and September 16, 2003.

b. In 10 cases in which the offender was originally ordered to probation and subsequently sent to prison, the offender's ordered restitution amount from the probation case was not recorded in TAPS. DOC's FOA had received copies of all of the probation orders for these individuals; however, FOA did not forward the orders to DOC's Correctional Facilities Administration when the individuals were sentenced to prison.

Section 791.220h of the *Michigan Compiled Laws* states that if a prisoner is ordered to pay restitution to the victim of a crime and DOC receives a copy of the restitution order from the court, DOC shall deduct 50% of the funds received by the prisoner in a month over $50 for payment of restitution.

RECOMMENDATION

We recommend that DOC consistently record offenders' restitution amounts in its TAPS.

AGENCY PRELIMINARY RESPONSE

Regarding item a., DOC agrees and will take steps to improve the recording of offender restitution in TAPS.

Regarding item b., DOC agrees and will comply. For circuit court probation violators who are sentenced to DOC as a result of new criminal behavior while under DOC supervision, FOA will instruct FOA agents to attach copies of known circuit court orders for unpaid restitution to the pre-sentence investigation package if the new sentence does not carry the original order(s) forward. This will include all circuit court orders that the agents are aware of at the time of sentencing/pre-sentence investigation preparation, regardless of whether the orders have been discharged/terminated. DOC will request that the court of record provide DOC with the current balance owing prior to entry into TAPS.

FINDING

6. Collection and Application of Payments

DOC did not apply payments received from probationers and parolees as required by Section 775.22 of the *Michigan Compiled Laws*. Also, the *Michigan Compiled Laws* do not contain specific language authorizing DOC to collect costs, fines,

assessments, and other payments arising out of criminal proceedings from prisoners.

Because offenders do not always pay their entire assessed amounts, the manner in which the payments are receipted and allocated can significantly impact which entity receives funding. DOC's lack of authorization to collect costs, fines, assessments, and other payments and the courts' actions to suspend, reverse, waive, or not order assessments at all (see Finding 1) have significantly impaired any collection of payments other than restitution from prisoner accounts. Collecting costs, fines, assessments, and other payments from prisoners is important because such collections help fund the Crime Victim Services Commission, defray taxpayers' cost of prosecution, and help fund public libraries.

Sections 791.225a and 791.236a of the *Michigan Compiled Laws* only authorize DOC to collect probation supervision fees ordered by the circuit court and parole supervision fees ordered by the Parole Board, respectively. These sections also stipulate that if a person who is subject to a supervision fee is also subject to any combination of costs, fines, restitution orders, assessments, or payments arising out of the same criminal proceeding, the allocation of money collected for those obligations shall be as otherwise provided in Section 775.22 of the *Michigan Compiled Laws*. Because these sections do not specifically authorize DOC to collect costs, fines, fees, and assessments other than probation or parole supervision fees, DOC collected only supervision fees directly from the probationers and parolees. DOC did not remit the money to the court to be applied in accordance with Section 775.22 of the *Michigan Compiled Laws*. Because DOC has directly collected probation and parole supervision fees, the courts have not applied any portion of the payments they collected to DOC for probation or parole supervision fees. As indicated in the supplemental information (Exhibits B through E), probationers in our audit sample had not paid all of the assessments ordered by the circuit courts. We noted instances in which offenders paid their probation supervision fees to DOC but did not pay their balances owed to the courts, resulting in the courts being underpaid. Conversely, we noted instances in which offenders paid assessments to the courts but not to DOC, resulting in DOC being underpaid.

Section 791.220h of the *Michigan Compiled Laws* states that if a prisoner is ordered to pay restitution to the victim of a crime and DOC receives a copy of the restitution order from the court, DOC shall deduct 50% of the funds received by the

prisoner in a month over $50 for payment of restitution. Because Section 791.220h does not specifically authorize DOC to collect costs, fines, assessments, and payments other than restitution, DOC did not do so. Our review of prisoner accounts indicated that many prisoners receive money while in prison and would be able to pay assessments if DOC were authorized to take the assessments from their accounts. Prisoners receive money in their accounts through gifts from family and friends, prison employment, prior years' income tax refunds, and other sources. We reviewed 308 prisoner accounts and determined that 252 (81.8%) prisoners received over $50 a month. Further, our review of 226 prisoners who had unpaid balances on their court-ordered crime victim's assessments disclosed that 133 (58.8%) prisoners received enough money while in prison to have paid the assessment. If DOC does not collect the court-ordered assessments, it is up to the offenders to pay the assessments voluntarily.

RECOMMENDATIONS

We recommend that DOC apply payments received from probationers and parolees as required by Section 775.22 of the *Michigan Compiled Laws* or obtain amendatory legislation to revise Section 775.22 of the *Michigan Compiled Laws*.

We also recommend that DOC seek statutory authorization to collect costs, fines, assessments, and other payments arising out of criminal proceedings from prisoners.

AGENCY PRELIMINARY RESPONSE

DOC agrees with the first recommendation and will pursue amendatory legislation to revise Section 775.22 of the *Michigan Complied Laws* to resolve the systemic problems associated with collecting and applying payments in the manner specified by Section 775.22.

If amendatory legislation is not obtained, DOC will seek other remedies within the budget process to reflect the expected outcome of applying payments from probationers and parolees in the manner specified by Section 775.22.

DOC disagrees with the second recommendation. It is not in the best interest of DOC to seek a statutory requirement that DOC collect court costs, fines, and assessments from prisoners while they are incarcerated. Prisoners receive money primarily from family and friends and from wages earned from prison work

assignments. These funds are generally spent in the prison-operated store for purchase of hygiene, over-the-counter health care, postage, and other commissary items. Profits from the store operations are the source of funding for a number of prison expenditures that would otherwise be funded through the State's General Fund, (i.e., libraries, photocopying equipment, and athletic equipment). In addition, prisoners' family and friends may discontinue providing funds to prisoners when those funds are intercepted to pay for court costs, fines, and assessments.

Prisoner pay for work assignments is generally less than one dollar per day for a full-time unskilled assignment. These wages are paid from DOC's operating budget. The net effect of collecting funds that were appropriated for prisoner wages to pay court costs, fines, and assessments would result in a shift of funding to the courts from DOC's operating budget. Furthermore, prisoners may become unwilling to accept work assignments, which would impact DOC's cost of operations and prisoner idleness.

DOC recommends retention of the current statutory scheme, which requires collections for victim restitution while the offender is incarcerated but delays collection on remaining debts until release on parole.

SUPPLEMENTAL INFORMATION

Introduction to Exhibits

Exhibit A - Statutorily Required and Allowed Assessments

This exhibit provides the audit report reader with statutory references and definitions for the statutorily required and allowed assessments.

Exhibits B through F

Exhibits B through F provide additional information related to the court-ordered assessments and related payments reviewed during our audit. The exhibits are intended to provide the reader with a frame of reference related to payments made by defendants in the specific cases we tested in our audit samples.

The exhibits are structured to show the number of defendants ordered to pay assessments and the corresponding total dollar value ordered, the number of defendants who have made payments on those assessments and the corresponding total dollar value of payments, and the number of defendants who have paid the assessments in full and the corresponding total dollar value of the payments. All payment information is as of the time of our site visit to the court. Additionally, the exhibits are structured to provide a time reference. The information is divided into sections based on the time that had elapsed from the date the defendant was sentenced to the date of our payment review conducted during the court site visits and by the sentence length.

The amounts presented as paid represent only the payments that had been received by the court or the Department of Corrections (DOC) at the time of our site visit. Many cases in our sample were active cases. Some defendants may have been on monthly payment plans that allowed them to pay the assessments over a period of time and would not have paid their assessments in full before the end of their sentences. For example, in Exhibit B, if a defendant is serving a 12-month probation term and was on a payment plan, we would not expect to see the assessments paid in full if only 0 to 6 months had elapsed from the sentence date to the payment review date; however, we would expect to see the assessments paid in full if 13 to 24 months had elapsed.

The following narrative describes Exhibits B through F:

Circuit Court - Defendants Sentenced to Probation (Exhibit B)
This exhibit includes individuals who were sentenced to serve a probation term and pay financial assessments. DOC collects probation supervision fees and the circuit court collects all remaining assessments. The "Action" column in the exhibit shows assessments ordered and paid to the court and probation supervision fees ordered and paid to DOC. We reviewed a total of 181 cases, of which 142 were ordered to pay probation supervision fees to DOC.

Circuit Court - Defendants Sentenced to Prison (Exhibit C)
This exhibit includes individuals who were sentenced to serve a prison term and pay financial assessments. The "Action" column in the exhibit shows assessments ordered and paid to the court. DOC collects payments from prisoners' accounts (further explained in Finding 6). We reviewed a total of 81 cases.

Circuit Court - Defendants Sentenced to Jail (Exhibit D)
This exhibit includes individuals who were sentenced to serve a jail term and pay financial assessments. The "Action" column in the exhibit shows assessments ordered and paid to the court. Defendants sentenced to jail are expected to voluntarily submit their payments to the court. We reviewed a total of 17 cases.

Circuit Court - Defendants Ordered Only Financial Assessments (Exhibit E)
This exhibit includes individuals who were sentenced by a circuit court to pay financial assessments only. The "Action" column in the exhibit shows assessments ordered and paid to the court. Defendants sentenced to pay financial assessments only are expected to voluntarily submit their payments to the court. We reviewed a total of 2 cases.

District Court - All Defendants (Exhibit F)
This exhibit includes individuals who were sentenced by a district court to pay financial assessments. These individuals may also have been sentenced to serve a jail term or a probation term. The "Action" column in the exhibit shows assessments ordered and paid to the court. Defendants sentenced in district court are expected to voluntarily submit their payments to the court. We reviewed a total of 298 cases.

Exhibit A

PROCESS OF ORDERING, COLLECTING, AND APPLYING FEES FROM CRIMINAL PROCEEDINGS

Statutorily Required and Allowed Assessments

Statutorily Required Assessments:

a. Restitution

Section 780.766 of the *Michigan Compiled Laws* states that the court shall order that the defendant make full restitution to any victim of the defendant's course of conduct.

b. Crime Victim's Assessment

Section 780.905 of the *Michigan Compiled Laws* states that the court shall order each person convicted of a felony to pay an assessment of $60 and each person convicted of a serious misdemeanor or a specified misdemeanor to pay an assessment of $50. The court shall order a defendant to pay only one assessment per criminal case. Payment of the assessment shall be a condition of a probation order or a parole order. Sections 780.811 and 780.901 of the *Michigan Compiled Laws* define "serious misdemeanor" and "specified misdemeanor," respectively. We have included the complete definitions and examples of the types of crimes in the glossary. Generally, the crimes listed as serious or specified are misdemeanors in which there is often a physical victim. Examples include assault and battery, including domestic assault; reckless driving; and retail fraud.

c. DNA (Deoxyribonucleic Acid) Assessment

Section 750.520m of the *Michigan Compiled Laws* requires that persons found guilty of violations of certain laws must provide a sample of their DNA and that the court shall order the defendant to pay an assessment of $60. The assessment was intended to reimburse the court, the local law enforcement agency that took the sample, and the Michigan Department of State Police forensic laboratory that processed the sample. The assessment section of the law was in effect until September 30, 2003. At that time, new legislation created the State minimum cost assessment and the courts no longer had to assess a separate $60 assessment for DNA. We audited compliance with the ordering requirement for sentencing orders through September 30, 2003.

d. Probation Supervision Fees

Section 771.3c of the *Michigan Compiled Laws* requires that the circuit court include in each order of probation a probation supervision fee. The amount of the supervision fee is calculated based on the probationer's projected income and financial resources. A person cannot be subject to more than one supervision fee at a time.

Statutorily Allowed Assessments:

a. Court Costs and Attorney Fees

Section 769.1f of the *Michigan Compiled Laws* states that the court may order the person convicted to reimburse the State or a local unit of government for expenses incurred in relation to the incident for which the person was convicted. The court establishes the amount that will be assessed.

b. Fines

Each section of the *Michigan Compiled Laws* that establishes a criminal act specifies the maximum period of time of imprisonment and the maximum amount of fine the courts may order. For example, Section 257.626 of the *Michigan Compiled Laws* states that every person convicted of reckless driving shall be punished by imprisonment in jail for a period of not more than 90 days or by a fine of not more than $100, or by both.

Exhibit B

PROCESS OF ORDERING, COLLECTING, AND APPLYING
FEES FROM CRIMINAL PROCEEDINGS
Circuit Court - Defendants Sentenced to Probation

Time Elapsed From Sentence Date to Payment Review Date	Action	Probation Term: 1 to 12 Months Number of Defendants	1 to 12 Months Dollar Value	13 to 24 Months Number of Defendants	13 to 24 Months Dollar Value	25 to 36 Months Number of Defendants	25 to 36 Months Dollar Value	37 Months and Beyond Number of Defendants	37 Months and Beyond Dollar Value
	Probation Supervision Fees:								
0 to 6 Months	Ordered	5	$ 840	15	$ 5,670	6	$ 5,040	1	$ 600
0 to 6 Months	Paid	1	$ 240	0	$ 0	1	$ 25	0	$ 0
0 to 6 Months	Paid in full	1	$ 240	0	$ 0	0	$ 0	0	$ 0
	Other Court Assessments:								
0 to 6 Months	Ordered	5	$3,373	20	$ 21,253	10	$44,658	3	$ 3,818
0 to 6 Months	Paid	1	$ 770	6	$ 3,185	2	$ 3,639	1	$ 40
0 to 6 Months	Paid in full	1	$ 770	2	$ 1,815	0	$ 0	0	$ 0
	Probation Supervision Fees:								
7 to 12 Months	Ordered	3	$ 360	14	$ 7,390	8	$ 7,020	3	$ 3,840
7 to 12 Months	Paid	1	$ 25	7	$ 1,460	2	$ 130	1	$ 60
7 to 12 Months	Paid in full	0	$ 0	2	$ 960	0	$ 0	0	$ 0
	Other Court Assessments:								
7 to 12 Months	Ordered	5	$4,471	17	$ 22,295	12	$11,335	4	$ 111,876
7 to 12 Months	Paid	3	$ 360	7	$ 5,055	4	$ 2,415	3	$ 36,123
7 to 12 Months	Paid in full	0	$ 0	3	$ 4,010	2	$ 1,235	0	$ 0
	Probation Supervision Fees:								
13 to 24 Months	Ordered	4	$ 816	29	$ 14,270	11	$11,220	5	$ 6,480
13 to 24 Months	Paid	1	$ 270	12	$ 4,300	6	$ 5,940	2	$ 360
13 to 24 Months	Paid in full	0	$ 0	4	$ 2,400	2	$ 5,580	0	$ 0
	Other Court Assessments:								
13 to 24 Months	Ordered	8	$3,901	32	$ 32,242	13	$14,595	5	$ 7,990
13 to 24 Months	Paid	5	$3,204	19	$ 15,640	9	$ 7,650	2	$ 120
13 to 24 Months	Paid in full	4	$3,031	9	$ 8,171	3	$ 6,475	0	$ 0
	Probation Supervision Fees:								
25 Months and Beyond	Ordered	3	$ 820	13	$ 4,260	14	$ 7,860	8	$ 7,560
25 Months and Beyond	Paid	3	$ 820	4	$ 1,208	5	$ 970	5	$ 1,430
25 Months and Beyond	Paid in full	3	$ 820	2	$ 900	1	$ 300	0	$ 0
	Other Court Assessments:								
25 Months and Beyond	Ordered	3	$2,984	17	$ 16,632	18	$32,002	9	$ 24,861
25 Months and Beyond	Paid	2	$1,484	11	$ 9,542	13	$ 7,021	5	$ 2,560
25 Months and Beyond	Paid in full	2	$1,484	7	$ 7,268	7	$ 5,240	1	$ 1,360

Exhibit C

PROCESS OF ORDERING, COLLECTING, AND APPLYING
FEES FROM CRIMINAL PROCEEDINGS
Circuit Court - Defendants Sentenced to Prison

		Minimum Sentence Term							
Time Elapsed From		1 Year or Less		1 to 2 Years		2 to 5 Years		5 Years or More	
Sentence Date to Payment Review Date	Action	Number of Defendants	Dollar Value	Number of Defendants	Dollar Value	Number of Defendants	Dollar Value	Number of Defendants	Dollar Value
0 to 6 Months	Ordered	5	$ 780	7	$ 8,805	4	$ 930	2	$ 420
0 to 6 Months	Paid	0	$ 0	3	$ 430	0	$ 0	0	$ 0
0 to 6 Months	Paid in full	0	$ 0	1	$ 60	0	$ 0	0	$ 0
7 to 12 Months	Ordered	0	$ 0	12	$ 18,273	2	$ 270	7	$ 1,140
7 to 12 Months	Paid	0	$ 0	4	$ 2,084	0	$ 0	0	$ 0
7 to 12 Months	Paid in full	0	$ 0	0	$ 0	0	$ 0	0	$ 0
13 to 24 Months	Ordered	6	$ 2,310	8	$ 20,270	1	$ 287	4	$ 300
13 to 24 Months	Paid	0	$ 0	2	$ 1,577	1	$ 167	0	$ 0
13 to 24 Months	Paid in full	0	$ 0	0	$ 0	0	$ 0	0	$ 0
25 Months and Beyond	Ordered	3	$ 680	10	$ 987,196	6	$ 2,526	4	$ 390
25 Months and Beyond	Paid	0	$ 0	3	$ 2,341	3	$ 674	0	$ 0
25 Months and Beyond	Paid in full	0	$ 0	2	$ 120	0	$ 0	0	$ 0

Exhibit D

PROCESS OF ORDERING, COLLECTING, AND APPLYING
FEES FROM CRIMINAL PROCEEDINGS
Circuit Court - Defendants Sentenced to Jail

Time Elapsed From Sentence Date to Payment Review Date	Action	Sentence Term: 60 to 90 Days		91 to 180 Days		181 to 365 Days	
		Number of Defendants	Dollar Value	Number of Defendants	Dollar Value	Number of Defendants	Dollar Value
0 to 6 Months	Ordered	1	$ 1,110	1	$ 60	0	$ 0
0 to 6 Months	Paid	0	$ 0	0	$ 0	0	$ 0
0 to 6 Months	Paid in full	0	$ 0	0	$ 0	0	$ 0
7 to 12 Months	Ordered	0	$ 0	1	$ 437	0	$ 0
7 to 12 Months	Paid	0	$ 0	1	$ 437	0	$ 0
7 to 12 Months	Paid in full	0	$ 0	1	$ 437	0	$ 0
13 to 24 Months	Ordered	2	$ 8,364	4	$ 450	5	$ 4,401
13 to 24 Months	Paid	2	$ 720	1	$ 120	3	$ 1,690
13 to 24 Months	Paid in full	0	$ 0	1	$ 120	3	$ 1,690
25 Months and Beyond	Ordered	1	$ 120	1	$ 1,210	1	$ 1,560
25 Months and Beyond	Paid	0	$ 0	1	$ 1,210	0	$ 0
25 Months and Beyond	Paid in full	0	$ 0	1	$ 1,210	0	$ 0

Exhibit E

PROCESS OF ORDERING, COLLECTING, AND APPLYING
FEES FROM CRIMINAL PROCEEDINGS
Circuit Court - Defendants Ordered Only Financial Assessments

Time Elapsed From Sentence Date to Payment Review Date	Action	Number of Defendants	Dollar Value
0 to 6 Months	Ordered	1	$ 1,135
0 to 6 Months	Paid	1	$ 1,075
0 to 6 Months	Paid in full	0	$ 0
25 Months and Beyond	Ordered	1	$ 925
25 Months and Beyond	Paid	1	$ 925
25 Months and Beyond	Paid in full	1	$ 925

Exhibit F

PROCESS OF ORDERING, COLLECTING, AND APPLYING
FEES FROM CRIMINAL PROCEEDINGS
District Court - All Defendants

Time Elapsed From Sentence Date to Payment Review Date	Action	Number of Defendants	Dollar Value
0 to 6 Months	Ordered	59	$ 41,183
0 to 6 Months	Paid	39	$ 20,159
0 to 6 Months	Paid in full	19	$ 8,690
7 to 12 Months	Ordered	63	$ 43,786
7 to 12 Months	Paid	53	$ 29,085
7 to 12 Months	Paid in full	36	$ 18,683
13 to 24 Months	Ordered	101	$ 84,996
13 to 24 Months	Paid	91	$ 60,419
13 to 24 Months	Paid in full	56	$ 38,127
25 Months and Beyond	Ordered	75	$ 41,019
25 Months and Beyond	Paid	53	$ 33,797
25 Months and Beyond	Paid in full	53	$ 30,665

GLOSSARY

conviction	The act of or state of being found or adjudged guilty of a criminal offense.
court caseload	The total number of cases (beginning pending cases, new filings, and reopened cases) reported by the courts in the Michigan Supreme Court Annual Report.
court order	A direction of a court made or entered into writing.
crime victim's assessment	The $60 or $50 assessment required to be ordered by the court for each person convicted of a felony or a serious or specified misdemeanor, respectively, by Section 780.905 of the *Michigan Compiled Laws*.
CVSC	Crime Victim Services Commission.
defendant	The person against whom a lawsuit is started or a crime is charged.
DNA	deoxyribonucleic acid.
DOC	Department of Corrections.
felony	A crime punishable by more than a year in a State prison, unless it is specifically stated to be a misdemeanor. Felonies are tried in circuit court.
FOA	Field Operations Administration, Department of Corrections.
goals	The agency's intended outcomes or impacts for a program to accomplish its mission.
misdemeanor	A violation of a penal law of the State that is not a felony or a violation of an order, rule, or regulation of a State agency that

is punishable by imprisonment or by a fine that is not a civil fine.

mission The agency's main purpose or the reason that the agency was established.

offender An individual convicted of an offense.

offense A crime or ordinance violation. An offense generally implies an act infringing upon public as distinguished from private rights and does not include civil infractions.

parole Conditional release from prison before the end of sentence; if the parolee observes the conditions, he or she need not serve the rest of his or her term.

parolee An individual who is on parole from prison.

performance audit An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.

probation Allowing a person convicted of an offense to remain in the community instead of going to jail or prison as long as the offender fulfills the conditions of the probation. Probation is usually supervised by a probation officer. If a person violates probation, probation can be revoked and the defendant resentenced.

probationer An individual who is serving a probation term.

reportable condition A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in

management's ability to operate a program in an effective and efficient manner.

restitution In criminal cases, the amount of money that the convicted defendant is required to pay the crime victim to compensate for damages suffered as a result of the crime.

SCAO State Court Administrative Office.

sentence The punishment imposed upon the defendant following a conviction in a criminal proceeding.

serious misdemeanor As defined in Section 780.811 of the *Michigan Compiled Laws*, a violation of the following sections of the *Michigan Compiled Laws*: 750.81, 750.81a, 750.115, 750.136b, 750.145a, 750.234, 750.235, 750.335a, 257.617a, 257.625, 436.1701, 750.411h, 324.80176; a violation of a local ordinance substantially corresponding to a violation enumerated in the preceding sections of the *Michigan Compiled Laws*; or a violation charged as a crime or serious misdemeanor enumerated in the preceding sections of the *Michigan Compiled Laws* but subsequently reduced to or pleaded to as a misdemeanor. Examples include assault and battery, including domestic assault (750.81); operating a motor vehicle under the influence of liquor (257.625); and furnishing or selling alcohol to a minor (436.1701).

specified misdemeanor As defined in Section 780.901 of the *Michigan Compiled Laws*, a violation of the following sections of the *Michigan Compiled Laws*: 257.602a, 257.625, 257.626, 257.904, 324.82127, 324.81134, 324.81135, 324.80176, 259.185, 333.7401 to 333.7461, 333.17766a, 436.33, 462.353, 462.355, 750.174, 750.218, 750.356, 750.356d, 750.359, 750.362, 750.362a, 750.377a, 750.380, 750.479a, 750.535, 750.540e; a violation of a local ordinance substantially corresponding to a violation enumerated in the preceding

sections of the *Michigan Compiled Laws*. Examples include reckless driving (257.626), operating a motor vehicle while license suspended (257.904), embezzlement (750.174), and retail fraud (750.356d).

TAPS Trust Accounting Payroll System.

victim payment Restitution ordered to be paid to the victim or to the victim's estate, but not to a person who reimbursed the victim for his or her loss, or an assessment ordered under Section 780.905 of the *Michigan Compiled Laws*.