



**Audit of Municipal Court
Case Filings**

AYCHA SAWA
City Comptroller

CHARLES ROEDEL
Audit Manager

April 2022

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Aycha Sawa, CPA, CIA
Comptroller

Joshua Benson
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

April 4, 2022

Honorable Cavalier Johnson, Mayor
The Members of the Common Council

Dear Mayor and Council Members:

The attached report summarizes the results of the Audit of Municipal Court Case Filings. Specifically included in the scope were:

- Cases filed with the City of Milwaukee Municipal Court from January 1, 2020 through April 30, 2021.

The primary focus of the audit was to evaluate whether the internal controls in place over the cases filed with the City of Milwaukee Municipal Court are designed adequately and operating effectively. The audit objectives were as follows:

- Ensure adequate internal controls exist over the Municipal Court case filing process and are operating effectively.
- Evaluate the case filing interdepartmental process for operating efficiencies and compliance with City ordinance and State statutes as applicable.

The audit identified significant control design opportunities to improve the monitoring process for MPD originated citations. These deficiencies resulted in 7,820 failed traffic citation transmissions and 525 failed municipal citation transmissions not being detected. Audit findings are discussed in the Audit Conclusions and Recommendations section of this report and are followed by management's response.

Appreciation is expressed for the cooperation extended to the auditors by the personnel of Municipal Court, the Milwaukee Police Department, the Department of Public Works, the Department of Neighborhood Services, the Milwaukee Health Department, the City Attorney's Office, and Duncan Solutions.

Sincerely,

A handwritten signature in black ink that reads "Charles Roedel".

Charles Roedel, CPA, CIA
Audit Manager

CRR:bjk



Why We Did This Audit

The City of Milwaukee Municipal Court requested an audit to determine if all citations sent by originating departments were received by Municipal Court.

Objectives

The objectives of the audit were to:

- Ensure adequate internal controls exist over the Municipal Court case filing process and are operating effectively.
- Evaluate the case filing interdepartmental process for operating efficiencies and compliance with City ordinance and State statutes as applicable.

Background

The City of Milwaukee Municipal Court is a trial court for cases involving ordinance violations that occur within City limits. Common violations include traffic, assault and battery, disorderly conduct, vandalism, loitering, theft, shoplifting, building code, health code, and drunken driving. The most significant originators of citations are the Milwaukee Police Department (MPD), the Department of Public Works (DPW) Parking Enforcement-Violations Bureau, the Department of Neighborhood Services (DNS), and the Milwaukee Health Department (MHD). In 2020, 45,012 cases were filed, the majority of which were filed by the Police Department.

Audit Report Highlights

Audit of Municipal Court Case Filings

Overview

Monitoring controls are not adequately designed to ensure that MPD-originated citations are received by Municipal Court. Controls over the transmission of citations originated by DPW, DNS, and MHD are adequately designed and operating effectively.

Findings

Traffic and Municipal Citations Not Received by Municipal Court: Municipal Court did not receive 7,820 traffic citations and 525 municipal citations intended to be transmitted by MPD due to technical issues. The vast majority of citations that were not received by Municipal Court are eligible for re-issuance, but many will be ineligible for reissuance by July 2022.

Resident Hardship: Duncan Solutions, the vendor for parking, received payments after transferring the citations to Municipal Court, but did not relay payments to Municipal Court. This situation may lead to residents being unable to renew vehicle registration.

[REDACTED]

(Recommendations can be found in the Audit Conclusions and Recommendations section of this report.)

I. Audit Scope, Objectives, and Methodology

Scope

The scope of the audit includes cases filed with the City of Milwaukee Municipal Court from January 1, 2020 through April 30, 2021.

Objectives

The objectives of the audit were as follows:

- Ensure adequate internal controls exist over the Municipal Court case filing process and are operating effectively.
- Evaluate the case filing interdepartmental process for operating efficiencies and compliance with City ordinance and State statutes as applicable.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for the audit's findings and conclusions based on the audit objectives.

Methodology

Audit methodology included developing an understanding of the processes and controls over Municipal Court case filing. The audit program was developed using criteria outlined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and National Institute of Standards and Technology (NIST). These present a methodology for performing audits in accordance with professional standards as presented in Government Auditing Standards (also known as the "Yellow Book"), which was used as a reference and program development guide for the planning of this audit.

II. Organization and Fiscal Impact

Municipal Court impartially adjudicates ordinance violation cases. The most significant originating sources of citations adjudicated by Municipal Court are MPD, DPW, DNS, and MHD. During the audit period from 1/1/2020 through 4/30/2021, 85,400 cases were MPD traffic, 12,908 cases were

MPD municipal, 7,723 cases were parking including DPW and MPD, 2,482 cases were DNS, and 201 cases were MHD.

III. Audit Conclusions and Recommendations

Monitoring controls are not adequately designed to ensure that MPD-originated citations are received by Municipal Court. Controls over the transmission of citations originated by DPW, DNS, and MHD are adequately designed and operating effectively.

Traffic and Municipal Citations Not Received by Municipal Court

Citations intended to be sent by MPD were not received by Municipal Court. The process as communicated in the walkthroughs did not work as intended. Further, monitoring controls are not adequately designed to detect transmission issues.

Traffic Citations

Chart 1 below shows the monthly number of traffic citations intended to be sent by MPD, the number of traffic citations received by Municipal Court, and the number of traffic citations that MPD sent that Municipal Court did not receive as of 1/31/2022. Municipal Court did not receive 7,820 traffic citations intended to be sent by MPD during the audit period due to technical issues.

Chart 1

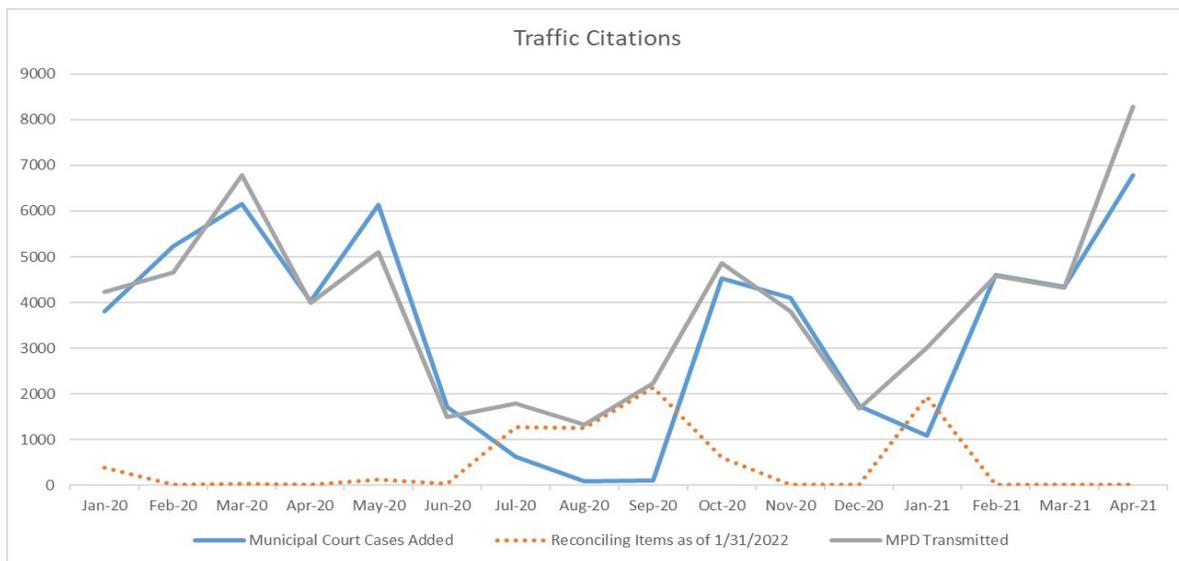


Chart 2 below shows the top 20 attempted transmission dates for which there are reconciling traffic citations. The top 20 attempted transmission dates represent 97% of the traffic citations that were not received by Municipal Court.

Chart 2

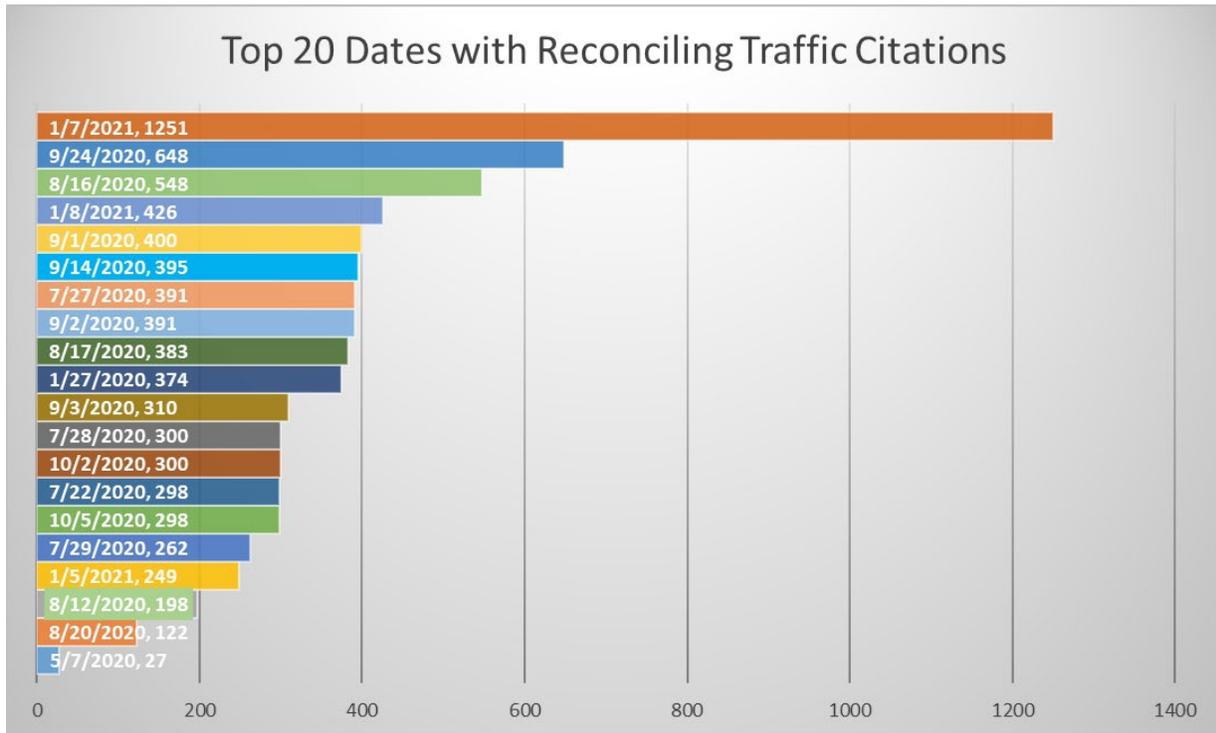
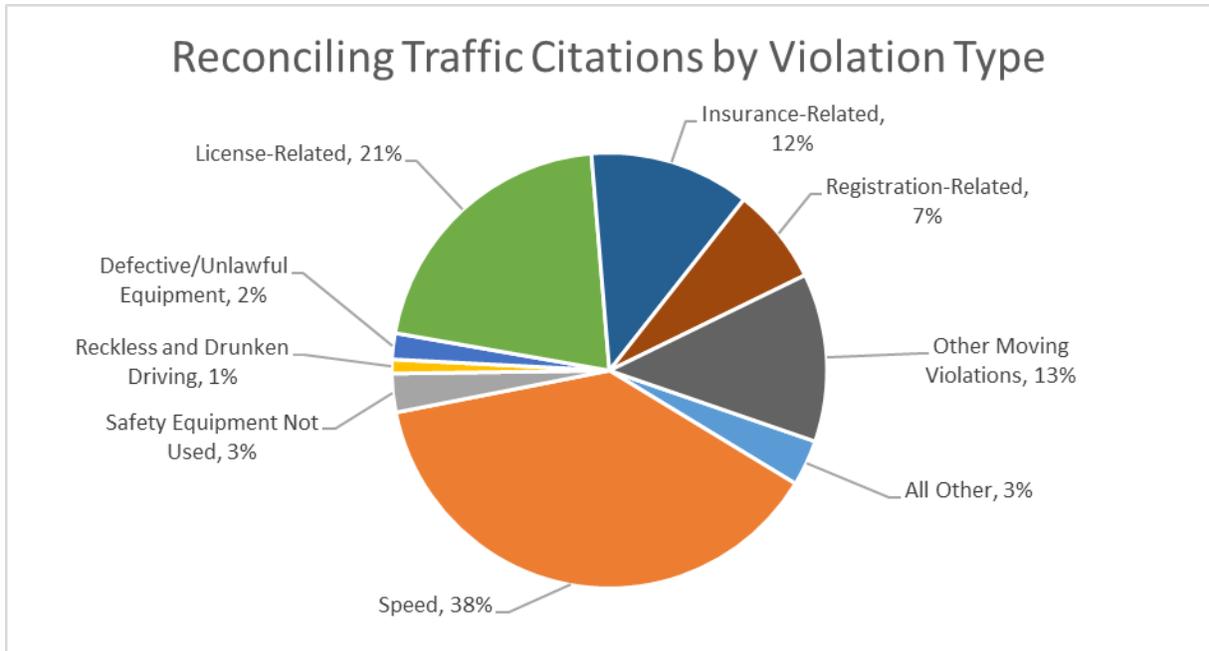


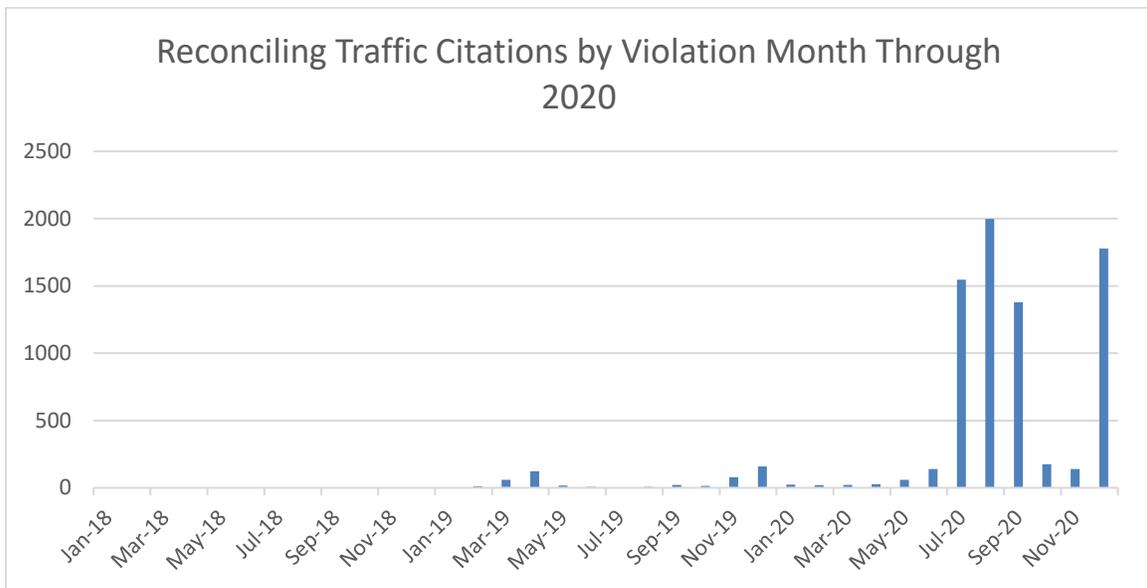
Chart 3 shows the violation type of the 7,820 traffic citations intended to be sent by MPD that were not received by Municipal Court.

Chart 3



MPD has up to two years from violation date to reissue the citation. Chart 4 shows the citation date by month through 2020 for the traffic citations intended to be sent by MPD that were not received by Municipal Court.

Chart 4



Municipal Citations

Chart 5 below shows the monthly number of municipal citations intended to be sent by MPD, the number of municipal citations received by Municipal Court, and the number of municipal citations that MPD sent that Municipal Court did not receive as of 1/31/2022. Municipal Court did not receive 525 municipal citations intended to be sent by MPD during the audit period due to technical issues.

Chart 5

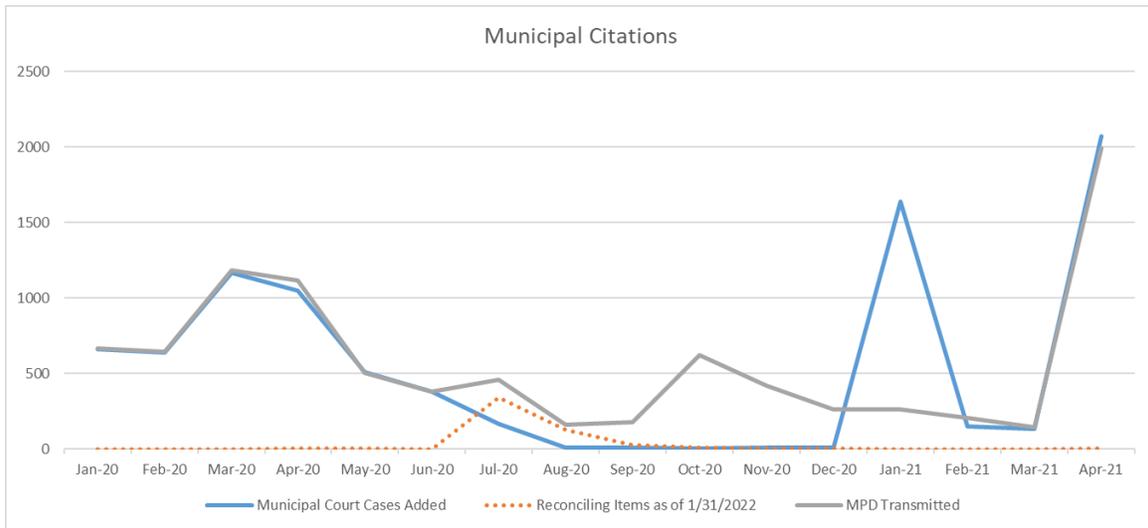


Chart 6 below shows the top 20 attempted transmission dates for which there are reconciling municipal citations. The top 20 attempted transmission dates represent 94% of the municipal citations that were not received by Municipal Court.

Chart 6

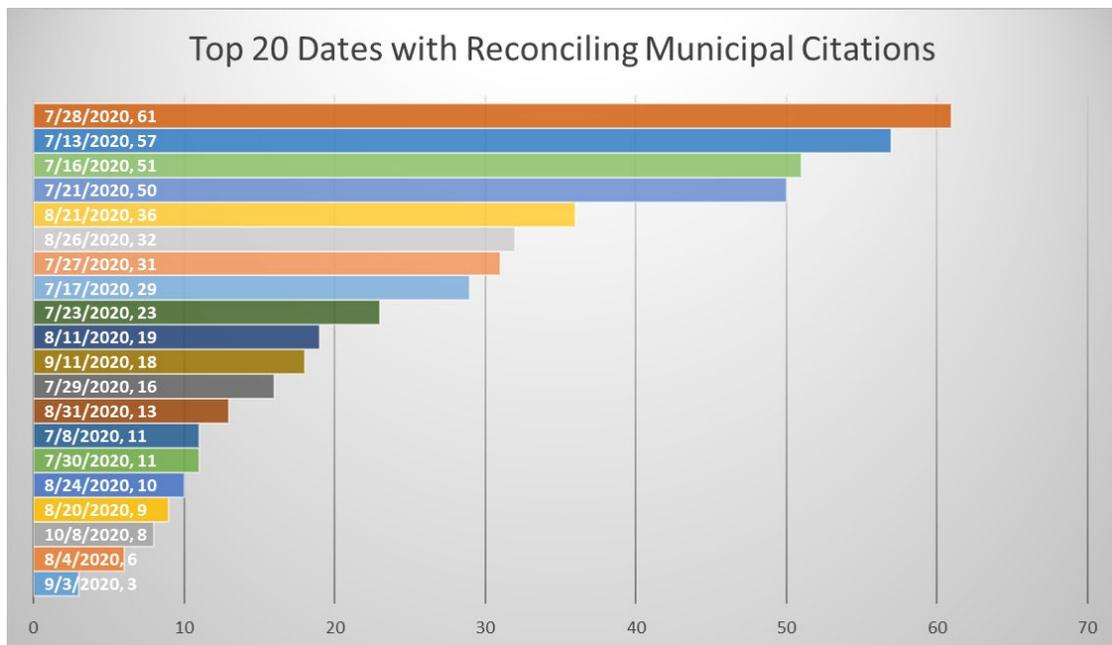


Chart 7 shows the violation type of the 525 municipal citations intended to be sent by MPD that were not received by Municipal Court.

Chart 7

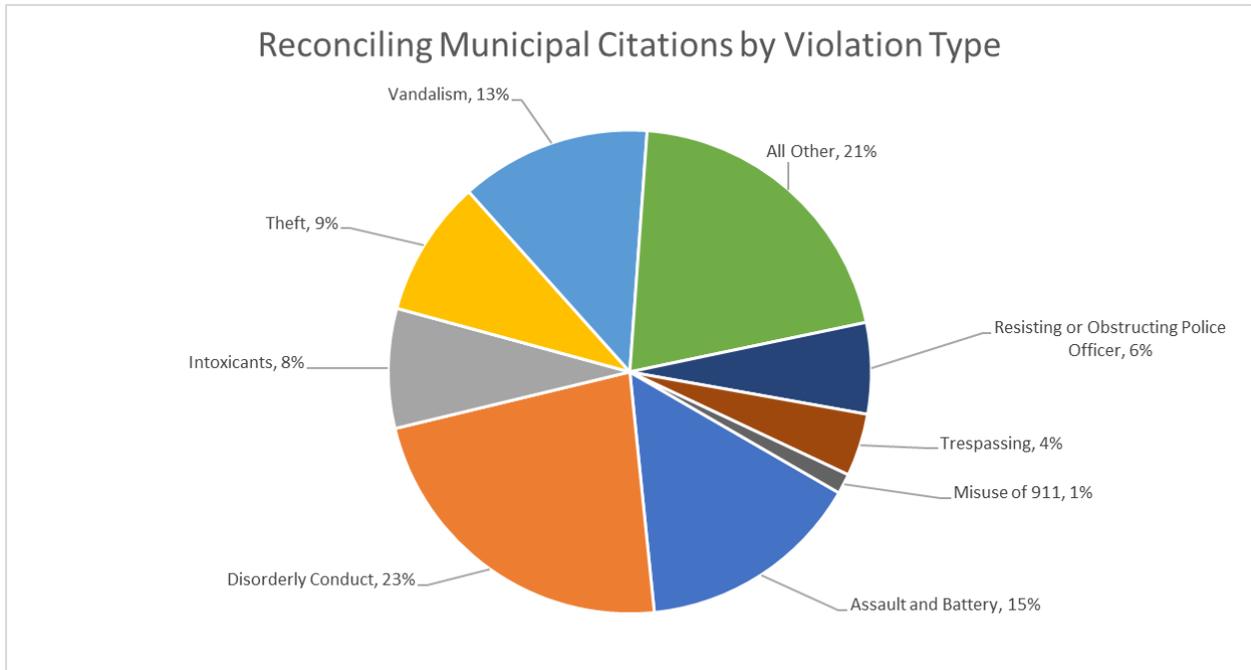
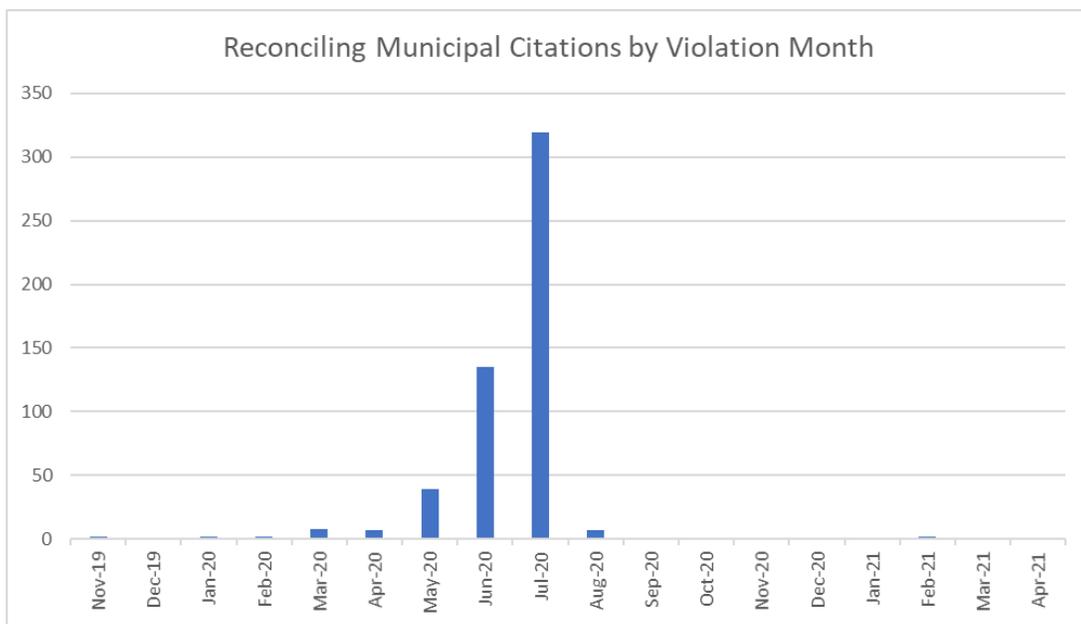


Chart 8 shows the citation date by month for the 525 municipal citations intended to be sent by MPD that were not received by Municipal Court.

Chart 8



Finding: Municipal Court did not receive 7,820 traffic citations and 525 municipal citations intended to be transmitted by MPD due to technical issues.

Risk: Cited individuals may not be held accountable. Additionally, loss of potential judgment income. *Risk Rating: High*

Recommendation 1: MPD should evaluate for reissuance the citations not received. Additionally, MPD and Municipal Court should create a process for identifying, at least quarterly, citations MPD intended to send that Municipal Court did not receive.

Resident Hardship

Duncan Solutions transfers jurisdiction for citations to Municipal Court when it sends parking citations to Municipal Court. Occasionally, defendants will decide to pay the citation after previously deciding to challenge the citation in Municipal Court. If Duncan does not communicate payments received to Municipal Court, the Court will proceed with the scheduled hearing and render a judgment.

Finding: Duncan Solutions, the vendor for parking, did not transfer \$1,073 to Municipal Court for citations sent to Court. Nineteen related cases had an outstanding Municipal Court judgement and 108 cases had no outstanding judgement.

The process is as follows: a person with a parking ticket must make a request of Duncan Solutions to set it for a Municipal Court hearing. Duncan Solutions schedules the Court date, then provides the Municipal Court and the defendant with the information. This action transfers jurisdiction of the matter to the Municipal Court and all payments must be made there. If Duncan Solutions accepts payment and does not transfer it to the Municipal Court, a hearing will be held. The defendant, unaware that payment has not been applied may ignore the hearing date. Without any payment noted on the case, on the day of the hearing if the defendant is absent the Municipal Court will enter a default judgment of guilty and a court alternative to payment: a vehicle registration denial. If a defendant then ignores the Notice of Judgment from the Court, 100 days post-judgment the alternative will be enforced.

Risk: People issued citations may lose their ability to renew their car registration. Additionally, loss of income from remittances not received from Duncan. *Risk Rating: Medium*

Recommendation 2: DPW Parking should work with Duncan for Duncan to regularly monitor for payments made on citations after the citations have been transferred to Municipal Court.

DPW Parking should then work with Municipal Court to determine whether payment needs to be transferred to Court or returned to the defendant and then advise Duncan to take immediate action.

[REDACTED]

Other Conclusions

Citations sent by DPW/Duncan, DNS, and MHD were materially received by Municipal Court. Internal Audit conducted full population testing of DPW/Duncan, DNS, and MHD and the number of reconciling items were minimal.

¹ National Institute of Standards and Technology, NIST 800-53, CM-2 Baseline Configuration, P. F-64, F-66.



Aycha Sawa, CPA, CIA
Comptroller

Joshua Benson
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

April 4, 2022

Honorable Cavalier Johnson, Mayor
The Members of the Common Council

Dear Mayor and Council Members:

With this letter, the Office of the City Comptroller acknowledges receipt of the preceding report, which communicates the results of the Audit of Municipal Court Case Filings. I have read the report and support its conclusions. Implementation of the stated recommendations will help improve City processes.

As the City Comptroller, I was not involved in any portion of the work conducted in connection with the audit. At all times, the Internal Audit Division worked autonomously in order to maintain the integrity, objectivity, and independence of the audit, both in fact and in appearance.

Sincerely,

A handwritten signature in black ink, appearing to read "Aycha Sawa".

Aycha Sawa, CPA, CIA
Comptroller



**CITY OF MILWAUKEE
MUNICIPAL COURT**

Derek C. Mosley, Presiding Judge
Branch 2

Valarie A. Hill, Judge
Branch 1

Phillip M. Chavez, Judge
Branch 3

Sheldyn M. Himle
Chief Court Administrator

Timothy T. Richter
Court IT Manager

March 31, 2022

Mr. Charles Roedel
Audit Manager
Comptroller's Office
200 East Wells Street, Room 404
Milwaukee, Wisconsin 53202

RE: Response to the Audit of Municipal Court Case Filing Processes

Dear Mr. Roedel:

The Milwaukee Municipal Court values the work of your office and staff in conducting the recent audit of the Municipal Court Case Filing Processes. To my knowledge this may be the first time an audit has been done for the Court that examines how citations or summons and complaints are filed with the Court, and what security measures are in place to ensure the intended filings reach the Court. This provides all related departments/entities the opportunity to understand the flow of citations or summons and complaints from their agency to the Court, passing jurisdiction of the matter to the Court as it becomes a case. Therefore, we appreciate the objective scrutiny of all related procedures.

Recommendation 1: MPD should evaluate for reissuance of the citations not received. Additionally, MPD and Municipal Court should create a process for identifying, at least quarterly, citations MPD intended to send that Municipal Court did not receive.

Response: Court and MPD personnel have already begun discussing how to address this recommendation. Our goal is to develop new processes to better track and log citations as they are made available to the Court. Such logging could be done from both MPD and Court systems, making it easier to track which citations were intended for the Court, but not received.

Target Completion Date: Q4, 2022

Recommendation 2: DPW Parking should work with Duncan Solutions (DS) for DS to regularly monitor for payments made on citations after the citations have been transferred to Municipal Court. DPW Parking should then work with Municipal Court to determine whether payment needs to be transferred to Court or returned to the defendant and then advise Duncan to take immediate action.

Response: At the suggestion of the Audit Manager, the Court provided DPW Parking with service level agreements to be added to the City's contract with Duncan Solutions, to codify existing expectations. The best solution for this item is to ensure Duncan Solutions personnel are aware that once jurisdiction is transferred to the Court, by way of scheduling a hearing for the defendant, they may not collect any payments on the citation. In the event a payment is received by DS, the best action would be to immediately send payment to the Court. In the event this is missed, DPW and the Court will work together to determine whether the payment should be sent to Court or refunded to the defendant (which would be appropriate if the defendant has also made payment to the Court).

Target Completion Date: May 2, 2022

[REDACTED]

Milwaukee Municipal Court will work toward completing work on all three recommendations, as outlined here. Because our ability to meet some of these projected deadlines is not completely within our control, we will inform the Comptroller's office of impediments that arise.

Sincerely,



Sheldyn M. Himle
Chief Court Administrator

Copy:

Tim Richter, IT Manager
Dawn Day-Hourigan, Court Business Manager
Mary O'Connor, Court Services Supervisor

Judge Derek C. Mosley, Presiding
Judge Phillip M. Chavez
Judge Valarie A. Hill



Milwaukee Police Department
Police Administration Building
749 West State Street
Milwaukee, Wisconsin 53233
<http://www.milwaukee.gov/police>

Jeffrey B. Norman
Chief of Police

(414) 933-4444

March 25, 2022

Charles ROEDEL
Office of the Comptroller
City Hall, 200 East Wells Street #104

Re: Milwaukee Police Department Response to Audit of Municipal Court Case Filings

Mr. ROEDEL,

On behalf of the Milwaukee Police Department (MPD), I would like to thank you and your staff for your thorough and comprehensive audit of the Milwaukee Police Department's Municipal Court Case Filings. Please reference below for our formal response to the one (1) item noted in your summary chronicled as "Recommendation 1" that is applicable to MPD.

Recommendation #1: "MPD should evaluate for reissuance the citations not received. Additionally, MPD and Municipal Court should create a process for identifying, at least quarterly citations MPD intended to send that Municipal Court did not receive."

How recommendation will be implemented: MPD concurs with the risk rating identified in the report and has since implemented the following action plan to: 1) address the reissuance of citations not received; 2) create a process to mitigate the problem from happening again:

- Court Administration created spreadsheets for each work location affected. MPD has already begun the process to begin to reissue the citations.

Additionally, MPD has since put the following safeguards in place to mitigate this from occurring again:

- Daily email sent by Court Administration to MPD IT and Municipal Court IT highlighting the number of transmitted citations.
- MPD IT cross-checks that information to ensure it is correct coupled with a follow-up email confirming the number of citations received.
- MPD IT will also run a daily query (6am-6pm) to ensure all citations are transmitted.
- Automatic email response established should another system failure occur. Said email response will be sent to MPD IT to address issue(s) in real-time.
- Monthly meeting between MPD and Municipal Court IT to discuss any issues and/or avenues to increase efficiency.

Who will be responsible/accountable: Both the MPD Court Administration Section (CAS) Citation Processing Supervisor (Police Sergeant Todd WEBER) and Information Technology (IT) Director (Jeffrey LARSON) will be responsible for collaboratively communicating/working with Municipal Court IT to ensure said process is working efficiently and to mitigate any issues in real-time.

Implementation Date: MPD implemented these changes on March 18, 2022.

A handwritten signature in black ink, appearing to read 'J. B. Norman', with a large loop on the left and a horizontal stroke extending to the right.

JEFFREY B. NORMAN

CHIEF OF POLICE



Department of Public Works
Operations Division- Parking Services

Karen Dettmer, P.E.
Interim Commissioner of Public Works

Danielle A. Rodriguez, M.B.A.
Director of Operations

Thomas Woznick, CAPP
Parking Services Manager

April 1, 2022

Charles Roedel
Audit Manager
Office of the Comptroller
City Hall, Room 404

Attn: Charles Roedel, Audit Manager

Subject: Audit of Municipal Court Case Filings

On March 18, 2022, the Department of Public Works (DPW) – Operations Division and DPW Parking Services received an Audit of Municipal Court Case Filing – Management Response Request from the Office of the Comptroller.

The report identified recommendations within the Resident Hardship section of the Audit Conclusions and Recommendations.

The following is the Departments official management response:

Finding: Resident Hardship: Duncan Solutions, the vendor for parking, received payments after transferring the citations to Municipal Court, but did not relay payments to Municipal Court. This situation may lead to residents being unable to renew vehicle registration.

Recommendation: DPW Parking should work with Duncan to regularly monitor for payments made on citations after the citations have been transferred to Municipal Court.

DPW Parking should then work with the Municipal Court to determine whether payment needs to be transferred to Court or returned to the defendant and then advise Duncan to take immediate action.

Management's Response: DPW Parking will work with Duncan Solutions to ensure that they regularly monitor for payments made on parking citations which have been transferred to Municipal Court.



Department of Public Works
Operations Division- Parking Services

Karen Dettmer, P.E.
Interim Commissioner of Public Works

Danielle A. Rodriguez, M.B.A.
Director of Operations

Thomas Woznick, CAPP
Parking Services Manager

DPW Parking will then work with Municipal Court to determine whether payment needs to be transferred to Court or returned to the defendant, along with advising Duncan Solutions to take immediate action.

The parties responsible for the action plans are Tom Woznick and Brian Dunn, SVP Operations, Duncan Solutions. The implementation date for these action plans is Monday, April 4th, 2022.

Sincerely,

Danielle A. Rodriguez, MBA
DPW Director of Operations

Thomas Woznick, CAPP
Parking Services Manager