

Client Trust Fund Inspection Report
Grantee: Nevada Legal Services
Recipient No. 829050 - Main Office
Report No. OIG 00-011

FINAL REPORT

September 8, 2000

VIA E-mail

Mr. Wayne M. Pressel
Executive Director
Nevada Legal Services
800 South Eighth Street
Las Vegas, Nevada 89101

Recipient No. 829050

Dear Mr. Pressel:

This report (OIG 00-011) provides the results of our inspection of Nevada Legal Services' compliance with the LSC Accounting Guide For LSC Recipients (Accounting Guide) with respect to client trust funds. The inspection focused on recipient compliance with record keeping requirements as established in the Accounting Guide.

The on-site inspection was conducted June 27 - June 30, 2000 at the main office in Las Vegas and at the [branch office](#) in Reno, Nevada. Separate reports will be issued for each office inspected. The inspection determined that Nevada Legal Services was in general compliance with the LSC Accounting Guide. The inspection identified the following areas where internal controls should be improved in the Las Vegas main office:

1. Some client trust fund checks have remained outstanding for several months. We recommend that the grantee revise current policy to initiate a letter to the client after a check has been outstanding for over two months. In addition, directory assistance should be consulted, and an Internet search should be made, e.g. through (www.whowhere.lycos.com).
2. The grantee had not escheated all unclaimed client trust funds to the state of Nevada as required by state law. We suggest that if the client cannot be located, a system should be in place to track the unclaimed funds and report them to the state in accordance with state escheat regulations.
3. The grantee recently changed banking institutions. They maintain the old checks that are no longer used. Although the checks are kept in a secure location, they pose a risk and should be destroyed.

4. The current Financial Manual did not reflect all current procedures in place regarding client trust funds and should be updated. After updating the manual, we suggest it be distributed to all branch offices.

Please provide a copy of this report to each member of the board of directors of Nevada Legal Services.

Sincerely,

(Signed)

E.R. Quatrevaux
Inspector General