



GARLAND

INTERNAL AUDIT

State Narcotics Seizure Fund Audit Follow-up

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Authorization

We have conducted a follow-up audit of the State Narcotics Seizure Fund. This audit was conducted under the authority of Article VII, Section 5 of the Garland City Charter and in accordance with the Annual Audit Plan approved by the Garland City Council.

Objective

This is a follow-up of the "State Narcotics Seizure Fund Audit" report issued on August 21, 2012. Our objective was to determine if previous audit recommendations were implemented.

The objectives of the original audit were to:

- Determine if all applicable regulations and laws are followed during the seizure process.
- Determine if all forfeited assets are secured and accounted for in accordance with State regulations.
- Determine if recommendations from the previous 2003 seizure audit were implemented.

Scope and Methodology

We conducted this audit follow-up in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The original audit included testing for compliance with applicable State Laws and departmental policies and procedures, a review of departmental software to ensure vehicles were tracked appropriately, comparisons of court records, affidavits and bank statements to ensure appropriate tracking and allocation of currency, and physical verification of vehicles to ensure appropriate security of property held for seizure. The same methodologies were applied during this audit follow-up. The scope of the audit follow-up was for the time period August 21, 2012 through January 30, 2014.

To assess the reliability of the data elements needed to answer the objective of the follow-up, we (1) interviewed the department about the data to assess internal controls, (2) determined individual access to the data, and (3) reviewed related documentation. As a result of our testing, we determined that the data was sufficiently reliable for the purposes of this follow-up report.

Audit Follow-up

This audit follow-up was not intended to be a detailed study of every relevant system, procedure and transaction. Accordingly, the follow-up section may not be all-inclusive of areas where improvement might be needed.

The following results for each finding are as follows:

Finding #1
Condition (The way it is)
We reviewed vehicles seized by officers and found: <ul style="list-style-type: none">A. A vehicle was not logged into the police computer system, I/Leads.B. Payment for an auctioned seized vehicle to the Collin County District Attorney could not be verified.C. In two cases, the department did not have appropriate documentation showing vehicles were given back to owners upon judgment from the court.
Recommendation
The police department should: <ul style="list-style-type: none">A. Ensure that all vehicles taken are logged into I/Leads system for tracking purposes.B. Implement a follow-up procedure to ensure that appropriate fees are paid to other county governments when a vehicle is sold at auction.C. Complete a GPD Property Release Form upon return of a vehicle to an individual.
Management Response
Concurs
Action Plan
<p>The Chief of Police will ensure that the Narcotics Unit Supervision makes certain that all vehicles related to seizures are entered into I/Leads system for tracking purposes.</p> <p>Under current procedures, payments for seized vehicles to second parties are delayed until after auction sale. The payment to the second party is then performed by City Financial Services without Police Department oversight. The Chief of Police will ensure a new procedure is developed whereas the Narcotics Unit will be responsible for all delayed payments to second parties to allow for appropriate Police Department oversight.</p>

The Chief of Police will ensure that all vehicles pending seizure will be held at the City Impound facility as opposed to being held at the police department. This change will ensure that these vehicles will be handled in accordance with all other vehicle release procedures.

Implementation Date

Immediate

Follow-up

- A. The sample population (Exhibit A) consisted of four vehicles that should have been listed in the Police Department's software, I/Leads. Our review of vehicles in the I/Leads system revealed that all four vehicles were listed.

- B. We obtained and reviewed documentation showing that the missed payment to Collin County was completed. We then reviewed the G/L and determined the payments were listed appropriately. We also obtained and reviewed a list of auctioned vehicles in the Fleet System and found that there were no seized vehicles that had been auctioned since August 21, 2012. In addition, we obtained policies and procedures from the Police Department to determine if any existed regarding second party payments. Our inquiry with the department and the Impound Lot indicated Purchasing would be responsible for policies and procedures surrounding second party payments. Our inquiry with Purchasing revealed that policies and procedures do not exist for second party payments.

- C. We visited the Impound lot to physically review the four vehicles identified in our sample. We found that three vehicles were located onsite. We then obtained pictures of the vehicle identification numbers for evidence, to show the vehicle matched the records obtained from the Police Department. At our visit, one of the vehicles, although listed in I/Leads, was released back to the owner. We inquired with the department if signed documentation was obtained to show evidence that the owner received his/her property appropriately. The department's response indicated that the officer who released the vehicle did not obtain the necessary signed documentation to show the vehicle was properly returned.

To prevent future occurrences, the Department added language to the State Narcotics Policies and Procedures on May 6, 2014, to include properly documenting all aspects of the release of vehicles and provided training to officers in the Narcotics Unit.

Implementation

- A. Fully Implemented.
- B. Partially Implemented.
- C. Not Implemented.

Finding #2

Condition (The way it is)

In one case, we noted a discrepancy of \$1,000 between the police officer's arrest report and the affidavit filed by the same officer. The affidavit listed \$1,000 less than originally reported by the officer. When IA inquired about this case, the department stated that the money was returned to the individual because it was not gained from criminal activities; however, we found no supporting documentation.

Recommendation

- A. Management should ensure that the police report matches the affidavit. If discrepancies are found, documentation should be included in the file.
- B. Officers should complete a GPD Property Release Form and retain signed documentation showing verification, reconciliation and return of funds.

Management Response

Concurs

Action Plan

The Chief of Police will ensure the Narcotics Unit Supervision reviews all seizure paperwork for accuracy and appropriate documentation of officer's actions.

Implementation Date

Immediate

Follow-up

- A. In our review of the sample files (see Exhibit A), 13 cases involved monetary amounts. IA found that 2 of the incident reports reviewed in these cases did not contain a listing of monetary amounts. Our inquiry with the Police Department indicated that monetary amounts were not required to be listed in the incident report. Count sheets, however, are required to be completed and are most often completed immediately after the arrest or as soon as the officer is available to count the amounts. IA did not find any discrepancies in the monetary amounts listed in the count sheets and the amounts listed as deposited. All other amounts listed in the incident reports matched with the amount listed in the affidavit and amounts deposited.
- B. Of the 15 cases, two cases were dismissed; one involved a vehicle and the other involved currency. The currency case listed a monetary value of \$3,298. We inquired if documentation was obtained upon return of the money. The department indicated that the funds were not returned since the case was pending criminal charges and was transferred to the Property Room as evidence. We traced the transferred funds between accounts to verify the accuracy of the department's statement.

Implementation

- A. Fully Implemented.
- B. We were unable to verify since there was not a case where funds were returned during the audit follow-up audit period.

Finding #3

Condition (The way it is)

An affidavit is a signed, sworn statement by the arresting officer describing the circumstances surrounding an arrest of an individual and property taken. Officers forward this statement to the County's District Attorney (DA) to begin the seizure process.

Our review of affidavits submitted to the DA's office revealed that one case was rejected by the DA due to errors in processing.

Recommendation

The arresting officer should review the affidavit to ensure that it is free from errors. Management should ensure that all affidavits are prepared accurately.

Management Response

Concurs

Action Plan

The Chief of Police will ensure the Narcotics Unit Supervision Reviews and provides more direct oversight of all seizure paperwork.

Implementation Date

Immediate

Follow-up

We reviewed a sample of 15 seizure reports and affidavits, as well as, obtained emails to the DA's office. This was performed in order to review the dates sent against the dates listed in the affidavits. Out of 15 seizures, we verified that all cases were accepted by the DA's office.

Implementation

Fully Implemented

Exhibit A

Sampling Methodology

We obtained a list of 50 cases filed for seizure from August 21, 2012 through January 30, 2014. We used a judgmental sample and selected 15 State Seizures. Our selections were based on the dollar amount of the seizure, the types of vehicles seized and current status of the seizure (i.e., Pending, Dismissed or Awarded).

<i>Current Status</i>	<i>No. of Cases</i>	<i>Total Monetary Amount</i>	<i>No. of Vehicles</i>	<i>No. of IA Cases Selected</i>	<i>Total Monetary Value Sampled</i>	<i>No. of Vehicles Sampled</i>
<i>Pending</i>	33	\$118,661	6	8	\$57,848	4
<i>Dismissed</i>	2	\$4,578	0	2	\$4,578	0
<i>Awarded</i>	15	\$56,027	0	5	\$40,780	0
Total Cases	50	\$179,266	6	15	\$103,206	4

Source: State Narcotics Seizure Population

We chose this sampling methodology to ensure that a cross section of the population was achieved and that high risk samples were reviewed.

The purpose of our search through these files was to reveal possible errors in processing. As a result, the conclusions regarding possible errors noted are not intended to be projected to the population.