

**DISTRICT ATTORNEY
DISTRICT 10**

**PROPERTY
FORFEITURE FUND**

**FOR THE PERIOD JULY 1, 2007
THROUGH JUNE 30, 2009**



STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**LARRY STUART, DISTRICT ATTORNEY
DISTRICT 10
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. § 212.E and 63 O.S. §2-506. Pursuant to 74 O.S. § 3105.B, six (6) copies have been prepared and distributed at a cost of \$14.53. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

November 16, 2010

Larry Stuart, District Attorney
District 10
Osage County Courthouse
Pawhuska, Oklahoma 74056

Transmitted herewith is the statutory report for the District Attorney of District 10, Osage and Pawnee Counties, Oklahoma (the District) for the period July 1, 2007 through June 30, 2009. A report of this type is critical in nature; however, we do not intend to imply that there were not commendable features in the present accounting and operating procedures of the District.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the conduct of our procedures.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**LARRY STUART, DISTRICT ATTORNEY
DISTRICT 10
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

TABLE OF CONTENTS

Introductory Information	ii
Statutory Report of State Auditor and Inspector.....	1
Schedule of Findings and Responses.....	3
Drug Asset Forfeiture Annual Report for the period July 1, 2007 through June 30, 2008.....	5
Drug Asset Forfeiture Annual Report for the period July 1, 2008 through June 30, 2009.....	6

**LARRY STUART, DISTRICT ATTORNEY
DISTRICT 10
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

INTRODUCTORY INFORMATION

Most district attorneys in the state have a Property Forfeiture Fund. The fund is not subject to fiscal year limitations and is to be used for enforcement of controlled dangerous substances laws, drug abuse prevention and education, and is maintained by the District Attorney to be used at his or her discretion for those purposes. The revenues for said fund come from the proceeds of forfeited assets.

Any cash, vehicles, real property, or other assets used in the commission of or acquired as a result of a crime as described in the Uniform Controlled Dangerous Substances Act is presumed to be forfeitable.

Asset forfeiture is an effective law enforcement tool used by local district attorneys to deprive criminals of their ill-gotten gains by seizing the proceeds of criminal activity and property used to facilitate crime. The proceeds of seized, forfeited assets make a substantial contribution to the investigation and prosecution of drug related offenses.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

Statutory Report

Larry Stuart, District Attorney
District 10
Osage County Courthouse
Pawhuska, Oklahoma 74056

For the purpose of complying with 74 O.S. §212.E and 63 O.S. §2-506, we have performed the following procedures as they relate to the records of the Property Forfeiture Fund for the period July 1, 2007 through June 30, 2009:

- Examine a group of receipts and deposit slips for propriety.
- Determine that the District Attorney maintains a true and accurate inventory of all property seized in accordance with 63 O.S. §§ 2-506 K.
- Review sale documentation for selected cases to determine whether forfeited assets were sold after due notice at public auction to the highest bidder in accordance with 63 O.S. §§ 2-506 and 2-508.
- Review the distribution of proceeds of the sale for selected cases to determine the distribution was in accordance with Court order pursuant to 63 O.S. §§ 2-506.K and 2-508.
- Determine whether expenditures tested were supported by approved claims, invoices, and independent verification that goods or services paid for were received.
- Determine whether the District Attorney prepared and submitted an annual report to the Board of County Commissioners showing the total deposits, total expenditures, beginning and ending balances in accordance with 63 O.S. §2-506.L.3.
- Determine whether the District Attorney reconciles the balance with the County Treasurer monthly.

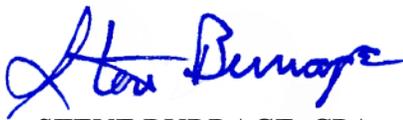
Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with accounting standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Osage or Pawnee County.

Based on our procedures performed, and with respect to items tested, District 10 was properly receipting and depositing the proceeds of forfeitures; maintains a true and accurate inventory of all property seized; forfeited assets were sold after proper notice at public auction to the highest bidder; the proceeds of forfeitures were distributed as directed by Court orders; expenditures were supported by approved claims, invoices, and independent verification that goods or services paid for were received; the District Attorney prepared and submitted an annual report to the Board of County Commissioners; and the District Attorney reconciled the balance of the Property Forfeiture Fund with the County Treasurer's records monthly. With respect to submitting an accurate annual report to the District Attorneys Council, our finding is presented in the accompanying schedule of findings and responses.

We have included in this report the uncorrected Drug Asset Forfeiture Annual Reports prepared by District 10, which were submitted to the District Attorneys Council.

This report is intended for the information and use of the District Attorney and Osage and Pawnee County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

August 17, 2010

**LARRY STUART, DISTRICT ATTORNEY
DISTRICT 10
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2009**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2008/2009-2 – Annual Report

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the annual reports submitted to the District Attorneys Council should accurately reflect total deposits and total expenditures of the Property Forfeiture Program.

Condition: When recalculating the Drug Asset Forfeiture Annual Reports, we noted the following discrepancies in reporting:

- For the reporting period of July 1, 2007 through June 30, 2008, total expenditures were reported as \$126,132.33. The recalculated total expenditures are \$126,524.30, which results in the ending cash balance for June 30, 2008, and the beginning cash balance for July 1, 2008, being overstated by \$391.97.
- For the reporting period of July 1, 2008 through June 30, 2009, the ending balance reported on the annual report reflects \$21,032.90. The recalculated ending balance in the report should be \$6,461.01, which results in the ending cash balance being overstated by \$14,571.89.

Effect: These undetected errors resulted in misstated financial reports.

Recommendation: OSAI recommends management review the financial reports for accuracy prior to submission and submit a corrected report to the District Attorneys Council.

Views of responsible officials and planned corrective actions: Variances have been reviewed and causes determined. Corrected reports will be forwarded to the District Attorneys Council.

FY08 DRUG ASSET FORFEITURE ANNUAL REPORT

July 1, 2007 - June 30, 2008

District 10

BEGINNING CASH BALANCE ON JULY 1

6,215.91

INCOME

Cash Forfeited	<u>8,418.16</u>
Court Ordered Assessments	<u>114,005.05</u>
Value Non-Cash Assets Forfeited and Sold	<u>65,065.20</u>
Other (please explain)Cellular Refund	<u>1.80</u>

TOTAL INCOME (before distributions)

\$ 187,490.21

DISTRIBUTION TO OTHER AGENCIES

Cash Returned to Other Agencies	<u>51,868.82</u>
Equipment Purchased for Other Agencies	<u>-0-</u>
Other (please explain)	<u>-0-</u>

TOTAL DISTRIBUTIONS

\$ 51,868.82

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and Benefits	<u>91,281.42</u>
Confidential Informants	<u>-0-</u>
Cost of Prosecution/Investigation	<u>4,391.65</u>
Education/Prevention	<u>-0-</u>
Equipment	<u>10,371.13</u>
Operating Expense	<u>20,304.10</u>
Rent	<u>176.00</u>
Storage & Towing	<u>-0-</u>
Travel	<u>-0-</u>
Other	<u>-0-</u>

TOTAL EXPENDITURES

\$ 126,132.33

ENDING CASH BALANCE ON JUNE 30

\$ 15,704.97

(July 1 Balance + Income - Distributions - Expenditures = June 30 Balance)

Prepared by: Sherry Henry

Date: 7/17/08

Phone#: (918) 287-1510

FY09 DRUG ASSET FORFEITURE ANNUAL REPORT

July 1, 2008 – June 30, 2009

District 10

BEGINNING CASH BALANCE ON JULY 1, 2008 15,704.97

INCOME

Cash Forfeited	<u>5,944.68</u>
Court Ordered Assessments	<u>69,492.12</u>
Value Non-Cash Assets Forfeited and Sold	<u>-0-</u>
Other (please explain) Reimburse Postage	<u>132.85</u>
TOTAL INCOME (before distributions)	<u>\$ 75,569.65</u>

DISTRIBUTION TO OTHER AGENCIES

Cash Returned to Other Agencies	<u>12,088.92</u>
Equipment Purchased for Other Agencies	<u>-0-</u>
Other (please explain)	<u>2,091.00</u>
TOTAL DISTRIBUTIONS	<u>\$ 14,179.92</u>

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and Benefits	<u>32,230.00</u>
Confidential Informants	<u>-0-</u>
Cost of Prosecution/Investigation	<u>3,468.55</u>
Education/Prevention	<u>-0-</u>
Equipment	<u>9,851.81</u>
Operating Expense	<u>22,111.22</u>
Rent	<u>-0-</u>
Storage & Towing	<u>115.40</u>
Travel	<u>2,464.74</u>
Other	<u> </u>
TOTAL EXPENDITURES	<u>\$ 70,241.72</u>

ENDING CASH BALANCE ON JUNE 30, 2009 \$ 21,032.90
(July 1 Balance + Income - Distributions - Expenditures = June 30 Balance)

Prepared by: Sherry Henry

Date: 8/5/09

Phone#: (918) 287-1510

RECEIVED

AUG 06 2009
DISTRICT ATTORNEYS
COUNCIL



**OFFICE OF THE STATE AUDITOR AND INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896**

WWW.SAI.OK.GOV