

**DISTRICT ATTORNEY
DISTRICT 15**

**PROPERTY
FORFEITURE FUND**

**FOR THE YEAR ENDED
JUNE 30, 2007**



**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**JOHN DAVID LUTON, DISTRICT ATTORNEY
THROUGH DECEMBER 31, 2006
LARRY D. MOORE, DISTRICT ATTORNEY
BEGINNING JANUARY 1, 2007
DISTRICT 15
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
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September 9, 2010

Larry D. Moore, District Attorney
District 15
Muskogee County Courthouse
Muskogee, Oklahoma 74402

Transmitted herewith is the statutory report for the District Attorney of District 15, Muskogee County, Oklahoma (the District) for the fiscal year ended June 30, 2007. 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

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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

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Statutory Report

Larry D. Moore, District Attorney
District 15
Muskogee County Courthouse
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For the purpose of complying with 74 O.S. § 212.E and 63 O.S. § 2-506, we have performed each of the following procedures as it relates to the records of the Property Forfeiture Fund for the fiscal year 2007:

- Examine a group of receipts and deposit slips for propriety.
- 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. §2-508.C.3.
- 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.
- Determine whether expenditures tested were used for enforcement of controlled dangerous substance laws, drug abuse prevention and education in accordance with 63 O.S. §2-506.L.3.
- 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 expenditures were properly classified and 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 Muskogee County.

Based on our procedures performed, with respect to the items tested, the District was properly receipting and depositing the proceeds of forfeitures; 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 made for lawful uses; expenditures were supported by approved claims and invoices; and expenditures were properly classified. With respect to preparing and submitting an annual report to the Board of County Commissioners, independent verification that goods or services paid for were received, and the annual report reconciling with the Treasurer's office, our findings are presented in the accompanying schedule of findings and responses.

Because of the discrepancies described in the attached finding, we could not include in this report information from the Property Forfeiture Fund Annual Report prepared by District 15, which was submitted to the District Attorneys Council.

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

Sincerely,



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

May 19, 2010

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 – DAC Annual Reports (Repeat Finding)

Criteria: Title 63 O.S. § 2-506.L.3 states in part:

The balance to a revolving fund in the office of the county treasurer of the county wherein the property was seized, said fund to be used as a revolving fund solely for enforcement of controlled dangerous substances laws, drug abuse prevention and drug abuse education, and maintained by the district attorney in his or her discretion for those purposes with a yearly accounting to the board of county commissioners in whose county the fund is established and to the District Attorneys Council.

Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, receipts and disbursements per the annual report should reconcile with the receipts and disbursements of the County Treasurer.

Condition: We noted collections and disbursements per the annual report, which is submitted to the Board of County Commissioners and the District Attorneys Council, did not agree to receipts and disbursements per the County Treasurer's Official Depository General Ledger.

Effect: This condition could result in misstated financial reports and incorrect information for management decision making.

Recommendation: OSAI recommends District 15 maintain an accurate ledger listing all collections and disbursements and reconcile the Property Forfeiture Fund with the County Treasurer's office on a monthly basis. We further recommend District 15 re-submit an accurate annual report to the Board of County Commissioners and the District Attorneys Council.

Views of responsible officials and planned corrective actions: The FYE June 2006 and the first 6 months of June 2007 were for periods under previous administration. I have reviewed all of these matters and I have implemented new procedures and all matters have been corrected.

Finding 2007-2 – Receipt of Goods/Services (Repeat Finding)

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, cash vouchers should be properly authorized and approved, and proper supporting documentation should be attached to the claim.

Condition: During our test work, we found four out of ten cash vouchers tested did not contain verification that the goods/services were received.

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Effect: Without proper documentation we were unable to determine if goods/services were received.

Recommendation: OSAI recommends all purchases maintain supporting documentation verifying that goods/services were received.

Views of responsible officials and planned corrective actions: The FYE June 2006 and the first 6 months of June 2007 were for periods under previous administration. I have reviewed all of these matters and I have implemented new procedures and all matters have been corrected.



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