

**DISTRICT ATTORNEY  
DISTRICT 1**

**PROPERTY  
FORFEITURE FUND**

FOR THE YEAR ENDED  
JUNE 30, 2008

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**JAMES M. BORING, DISTRICT ATTORNEY  
DISTRICT 1  
STATUTORY REPORT  
PROPERTY FORFEITURE FUND  
FOR THE YEAR ENDED  
JUNE 30, 2008**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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December 1, 2009

James M. Boring, District Attorney  
District 1

Transmitted herewith is the statutory report for the District Attorney of District 1, Cimarron, Texas, Beaver, and Harper Counties, Oklahoma (the District), for the fiscal year ended June 30, 2008. 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.

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## Statutory Report

James M. Boring  
District Attorney, District 1  
Texas County Courthouse  
Guymon, Oklahoma 73942

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 they relate to the records of the Property Forfeiture Fund for the fiscal year 2008:

- 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. §§ 2-506 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.
- 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 Cimarron, Texas, Beaver, or Harper County.

Based on our procedures performed, 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; 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

expenditures being supported by approved claims, invoices, and independent verification that goods or services paid for were received, our finding is presented in the accompanying schedule of findings and responses.

We have included in this report a detailed analysis of the Property Forfeiture Fund.

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

Sincerely,



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

December 16, 2008

**JAMES M. BORING, DISTRICT ATTORNEY  
DISTRICT 1  
STATUTORY REPORT  
JUNE 30, 2008**

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**PROPERTY FORFEITURE FUND ANALYSIS**

**BEGINNING CASH BALANCE ON JULY 1, 2007** \$ 582,805

**INCOME**

Cash forfeited	436,643
Court ordered assessments	29,160
Value non-cash assets forfeited and sold	51,530
Other	<u>9,539</u>

**TOTAL INCOME (before distributions)** 526,872

**DISTRIBUTION TO OTHER AGENCIES**

Cash returned to other agencies	33,495
Equipment purchased for other agencies	<u>10,069</u>

**TOTAL DISTRIBUTIONS** 43,564

**EXPENDITURES BY DISTRICT ATTORNEY**

Personnel and benefits	198,363
Confidential informants	5,100
Cost of prosecution/investigation	5,680
Education/prevention	23,230
Equipment-furniture-software	50,411
Operating expense	67,123
Storage & towing	5,134
Travel – meals – per diem – lodging	8,201
Other: Forfeiture sale expense	13,758
Special operations	2,247
Grant match money	51,915
Building purchase	32,890
Construction expense	<u>15,000</u>

**TOTAL EXPENDITURES** 479,052

**ENDING CASH BALANCE ON JUNE 30, 2008** \$ 587,061



## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Finding 2008-1 – District Attorney Property Forfeiture Fund Expenditures**

Criteria: Accountability and stewardship are overall goals in evaluating management's accounting of funds. To help ensure a proper accounting of funds, the expenditures should be supported by approved claims, invoices, and independent verification that goods or services were received.

Condition: The testing of purchases from the Property Forfeiture Fund revealed the following in the Texas County District Attorney's Office:

1. Six of the 16 expenditures tested did not have a supporting invoice attached.
2. Seven of the 16 expenditures tested did not have a claim with approval for the expenditure.
3. Six of the 16 expenditures tested did not have verification that goods or services were received.

Effect: Absent or inaccurate documentation could result in misappropriation of funds.

Recommendation: OSAI recommends the District Attorney implement policies and procedures to ensure that all expenditures have a claim approving the expenditure, have the original invoice and receipt attached to the approved claim, and have receiving reports and/or other indication for receipt of goods/services.

Views of responsible officials and planned corrective actions: In order to address your concerns regarding the receipt of goods and services, I have prepared a new form (Receiving Report) that all employees will be required to complete upon the receipt of all goods and services. This form will be attached to the receipt, delivery ticket, or invoice received for all goods and services provided to our offices. This form has been drafted to substantially comply with the procedures followed by the county relating to the receipt of goods and services.

An additional "Approval for Payment" form has been prepared and is being used in all of my counties. This form requires my financial secretary in Texas County or my office secretary in each of my other counties to verify that all billing statements are correct and supported by appropriate receipts, tickets, and/or invoices. The "Approval for Payment" form must then be submitted to me or one of my assistants in charge of my outlying counties with all supporting documentation attached for final approval prior to payment. This form basically requires the secretary to match and verify all receipts, tickets, and invoices with monthly billings to insure the accuracy of all billings prior to submission to me or a designated assistant for final approval for payment.



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