DISTRICT ATTORNEY
DISTRICT 21
PROPERTY
FORFEITURE FUND
FOR THE YEAR ENDED
JUNE 30, 2008
GREG MASHBURN, DISTRICT ATTORNEY
DISTRICT 21
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED JUNE 30, 2008
August 23, 2010

Greg Mashburn, District Attorney
District 21
Cleveland County Courthouse
Norman, Oklahoma 73069

Transmitted herewith is the statutory report for the District Attorney of District 21, Cleveland, Garvin, and McClain 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,

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR
# TABLE OF CONTENTS

Introductory Information .............................................................................................................................. ii
Statutory Report of State Auditor and Inspector...................................................................................... 1
Property Forfeiture Fund Annual Report ................................................................................................. 3
Schedule of Findings and Responses ....................................................................................................... 4
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.
Statutory Report

Greg Mashburn, District Attorney
District 21
Cleveland County Courthouse
Norman, Oklahoma 73069

For the purpose of complying with 74 O.S. §212 (E) and 63 O.S. §2-506, we have performed the following procedures as it relates 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. §2-508.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 supported by approved claims, invoices, and independent verification that goods or services paid for were received in accordance with 63 O.S. §2-508.C.3.
- 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 in accordance with 63 O.S. §2-508.C.3.

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 Cleveland, Garvin, or McClain County.

Based on our procedures performed, District 21 was properly receipting and depositing the proceeds of forfeitures; forfeited assets were sold after proper notice at public auction to the highest bidder; expenditures were supported by approved claims and invoices; the District Attorney prepared and submitted an annual report to the Board of County Commissioners; expenditures were properly classified; and the District Attorney reconciles the balance of the Property Forfeiture Fund with the County Treasurer’s records monthly. With respect to the proceeds of forfeitures being distributed as directed by
Court orders, and independent verification that goods or services paid for were received, our findings are presented in the accompanying schedule of findings and responses. We also noted a matter of segregation of duties in regards to revenues and disbursements, and our finding is presented in the schedule of findings and responses.

We have included in this report the Property Forfeiture Fund Annual Report prepared by District 21, which was submitted to the District Attorneys Council.

This report is intended for the information and use of the District Attorney and Cleveland, Garvin, and McClain 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 25, 2010
### PROPERTY FORFEITURE FUND ANNUAL REPORT

**BEGINNING CASH BALANCE ON JULY 1, 2007**  
$71,716

**INCOME**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash forfeited</td>
<td>$240,224</td>
</tr>
<tr>
<td>Court ordered assessments</td>
<td>$72,342</td>
</tr>
<tr>
<td>Value non-cash assets forfeited and sold</td>
<td>$7,495</td>
</tr>
<tr>
<td>Other</td>
<td>$14,993</td>
</tr>
</tbody>
</table>

**TOTAL INCOME (before distributions)**  
$335,054

**DISTRIBUTION TO OTHER AGENCIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash returned to other agencies</td>
<td>$169,621</td>
</tr>
</tbody>
</table>

**TOTAL DISTRIBUTIONS**  
$169,621

**EXPENDITURES BY DISTRICT ATTORNEY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel and benefits</td>
<td>$142,390</td>
</tr>
<tr>
<td>Cost of prosecution/investigation</td>
<td>$1,642</td>
</tr>
<tr>
<td>Operating expense</td>
<td>$4,060</td>
</tr>
<tr>
<td>Other – defendant returns</td>
<td>$3,002</td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURES**  
$151,094

**ENDING CASH BALANCE ON JUNE 30, 2008**  
$86,055

*Source: District 21 Property Forfeiture Fund Annual Report (for informational purposes only)*
Finding 2008-1—Segregation of Duties

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.

Condition: Based on inquiries and observation of personnel in the District Attorney’s Property Forfeiture Program, we noted instances in which a single employee could be responsible for the recording, authorization, custody, and execution of revenue transactions. The following concerns were noted:

Cleveland County
- The Civil Coordinator receives money, issues receipts, prepares depository tickets, reconciles receipts to the deposit, and takes the deposit to the Treasurer.

Garvin County
- One employee receives money, issues receipts, prepares depository tickets, reconciles receipts to the deposit, takes the deposit to the Treasurer, and reconciles the account balance to the Treasurer.

McClain County
- One employee receives money, issues receipts, balances the cash drawer to daily receipts, prepares depository tickets, reconciles receipts to the deposit, takes the deposit to the Treasurer, posts daily receipts to the cash book, and reconciles the account balance to the Treasurer.

We also noted instances in which a single employee could be responsible for the recording, authorization, custody, and execution of expenditure transactions.

Cleveland County
- The Finance Officer prepares claims, approves claims for payment, prepares vouchers, mails/distributes vouchers, and certifies receipt of goods and services.

Garvin County
- The secretary prepares claims, prepares vouchers, signs and distributes vouchers, and certifies receipt of goods and services.

McClain County
- The secretary prepares claims, prepares and distributes vouchers, and certifies receipt of goods and services.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.
Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management’s overseeing of office operations and a periodic review of operations. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions: The District Attorney’s office recognizes the risks associated with the concentration of duties and reviews the accounts on a monthly basis. However, due to budget constraints and limited resources we do not currently have the manpower to separate these duties as requested.

OSAI Response: For instances in which there is not sufficient personnel to segregate the duties, management should implement mitigating controls. This may include an increased review by management, and reviewing such assignments so that key processes can be separated.

Finding 2008-3—Disposition of Seized Property

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

Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the office of the district attorney of the county wherein the property was seized, subject only to the orders and decrees of the court or the official having jurisdiction thereof; said official shall maintain a true and accurate inventory and record of all such property seized under the provisions of this section…

Condition: The following was noted:

- CV-07-462: $370.00 seized were forfeited on 11/20/2007. This currency is still in the custody of the McClain County Sheriff’s Office and should be deposited in the District Attorney’s Drug Fund.
- CV-07-667: $1,462.92 seized were forfeited on 02/14/2008. This currency was in the custody of the Blanchard Police Department and is missing. It is currently being investigated by the OSBI.
- CV-07-694: $697.00 seized were forfeited on 03/05/2009. This currency was in the custody of the Blanchard Police Department and is missing. It is currently being investigated by the OSBI.

Effect: This condition could result in the loss of seized items.
Recommendation: OSAI recommends that the District Attorney investigate the disposition of these cases in order to determine if further action is necessary.

Views of responsible officials and planned corrective actions: The District Attorney’s office has reviewed the final disposition of the cases noted and do not believe further action is necessary as to those cases. To ensure no further problems, we have requested that those agencies involved in this finding turn over all seized funds to the District Attorney’s office for safe keeping in the future.