

**DISTRICT ATTORNEY
DISTRICT 24**

**PROPERTY
FORFEITURE FUND**

**FOR THE YEAR ENDED
JUNE 30, 2006**



**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**MAX COOK, DISTRICT ATTORNEY
DISTRICT 24
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED JUNE 30, 2006**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 8, 2010

Max Cook, District Attorney
District 24
Creek County Courthouse
Sapulpa, Oklahoma 74066

Transmitted herewith is the statutory report for the District Attorney of District 24, Creek and Okfuskee Counties, Oklahoma (the District) for the fiscal year ended June 30, 2006. 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". The signature is written in a cursive style with a large initial "S" and "B".

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

Max Cook, District Attorney
District 24
Creek County Courthouse
Sapulpa, Oklahoma 74066

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 2006:

- Determine that the District Attorney maintains a true and accurate inventory of all property seized in accordance with 63 O.S. § 2-506.K.
- 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.
- 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 Creek or Okfuskee Counties.

Based on our procedures performed, with respect to the items tested, 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; expenditures were properly classified; and the District Attorney reconciled the balance of the Property Forfeiture Fund with the County Treasurer's records monthly. With respect to maintaining a true and accurate inventory of all property seized; receipting and depositing the proceeds of forfeitures; and expenditures supported by approved claims, invoices, and independent verification that goods or services paid for were received, our findings are presented in the accompanying schedule of findings and responses.

We have included in this report information from the Property Forfeiture Fund Annual Report prepared by District 24, which was submitted to the District Attorneys Council.

This report is intended for the information and use of the District Attorney and Creek and Okfuskee 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

**MAX COOK, DISTRICT ATTORNEY
DISTRICT 24
STATUTORY REPORT
JUNE 30, 2006**

PROPERTY FORFEITURE FUND

BEGINNING CASH BALANCE ON JULY 1, 2005 \$ 257,837

INCOME

Cash forfeited	454,795	
Court ordered assessments	8,835	
Non-cash assets forfeited and sold	48,331	
Other	<u>6,253</u>	
TOTAL INCOME (before distributions)		<u>518,214</u>

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	6,083	
Equipment purchased for other agencies	13,213	
Other	<u>450</u>	
TOTAL DISTRIBUTIONS		<u>19,746</u>

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	378,000	
Confidential informants	4,100	
Cost of prosecution/investigation	958	
Education/prevention	18,699	
Equipment	6,564	
Operating expense	47,265	
Storage and towing	2,820	
Travel	529	
Grant to Sapulpa school	12,500	
Dale Howard – Range Master	<u>500</u>	
TOTAL EXPENDITURES		<u>471,935</u>

ENDING CASH BALANCE ON JUNE 30, 2006 \$ 284,370

Source: District 24 Property Forfeiture Fund Annual Report (for informational purposes only)

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2006-1 – Pre-Numbered Receipts

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, receipts should be pre-numbered and issued in sequential order.

Condition: During test work of Okfuskee County property forfeiture cases, we noted the receipts used for money received are not pre-numbered.

Effect: Without pre-numbered receipts, there is no way to account for all receipts.

Recommendation: OSAI recommends Okfuskee County issue pre-printed and pre-numbered receipts.

Views of responsible officials and planned corrective actions: Use of pre-printed and pre-numbered receipts.

Finding 2006-2 - Disbursements

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

Condition: During test work of disbursements, we found out of 20 vouchers tested:

- 1) Two vouchers did not have an invoice for supporting documentation.
- 2) Eleven vouchers were not supported by an approved claim.
- 3) Eleven vouchers did not have verification that goods/services were received.

Effect: Without proper purchasing practices, we were unable to determine if expenditures had adequate supporting documentation, independent verification that good or services paid for were received, and whether they were properly approved.

Recommendation: We recommend the District practice proper purchasing procedures. All purchases should be properly approved, received, and with proper supporting documentation attached.

Views of responsible officials and planned corrective actions: This has been corrected.

Finding 2006-3 – Forfeited Property

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

...said official shall maintain a true and accurate inventory and record of all such property seized...

Condition: During test work of property forfeiture cases, we found 1 out of 20 cases tested had monies seized, and these monies were never turned over to the District Attorney's office and cannot be located at the arresting agency. Furthermore, the District Attorney's office had already filed forfeiture on these funds before actually receiving the monies.

Effect: We were unable to determine the location of the monies seized in a property forfeiture case.

Recommendation: OSAI recommends the District practice proper forfeiture procedures. All monies and items should be properly receipted after received by the District Attorney's office and before filing forfeiture on such items.

Views of responsible officials and planned corrective actions: This has been corrected, but as of this date monies have not been located.



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