

**DISTRICT ATTORNEY
DISTRICT 24**

**PROPERTY
FORFEITURE FUND**

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



**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**MAX COOK, DISTRICT ATTORNEY
DISTRICT 24
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.
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, 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". The signature is written in a cursive, flowing style.

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 2007:

- 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, the District Attorney 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; 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 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, 2007**

PROPERTY FORFEITURE FUND

BEGINNING CASH BALANCE ON JULY 1, 2006 \$ 284,370

INCOME

Cash forfeited	164,970
Court ordered assessments	3,590
Non-cash assets forfeited and sold	72,481
Other	<u>105</u>

TOTAL INCOME (before distributions) 241,146

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	25,213
Equipment purchased for other agencies	5,596
Other	<u>0</u>

TOTAL DISTRIBUTIONS 30,809

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	283,300
Confidential informants	3,000
Cost of prosecution/investigation	2,850
Education/prevention	1,704
Equipment	10,141
Operating expense	31,438
Storage and towing	3,623
State auditing	2,540
Utilities	2,945
Special operations	<u>0</u>

TOTAL EXPENDITURES 341,541

ENDING CASH BALANCE ON JUNE 30, 2007 \$ 153,166

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

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 – 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: This has been corrected.

Finding 2007-2 - 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 in Creek County:

- 1) Three vouchers did not have an invoice for supporting documentation.
- 2) Two vouchers did not have verification that goods/services were received.

During test work of disbursements, we found out of 20 vouchers tested in Okfuskee County:

- 1) One voucher did not have an invoice for supporting documentation.
- 2) One voucher was not supported by an approved claim.
- 3) Four 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 goods or services paid for were received, and whether they were properly approved.

Recommendation: OSAI recommends 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.



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