

STATUTORY REPORT

**DISTRICT ATTORNEY
DISTRICT 25
PROPERTY FORFEITURE FUND**

For the period July 1, 2005 through June 30, 2008



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**THOMAS GIULIOLI, DISTRICT ATTORNEY
DISTRICT 25
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2008**

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Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

June 1, 2011

Thomas Giulioli, District Attorney
District 25
Okmulgee County Courthouse
Okmulgee, Oklahoma 74447

Transmitted herewith is the statutory report for the District Attorney of District 25, Okmulgee and McIntosh Counties, Oklahoma (the District) for the period July 1, 2005 through 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 "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

**THOMAS GUILIOLI, DISTRICT ATTORNEY
DISTRICT 25
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2008**

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**THOMAS GUILIOLI, DISTRICT ATTORNEY
DISTRICT 25
STATUTORY REPORT
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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

Thomas Giulioli, District Attorney
District 25
Okmulgee County Courthouse
Okmulgee, Oklahoma 74447

For the purpose of complying with 74 O.S. §212 (E) and 63 O.S. §2-506, we have performed the following procedures as they relate to the records of the Property Forfeiture Fund for the period July 1, 2005 through June 30, 2008:

- 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. §§ 2-506 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 and 2-508.
- 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 Okmulgee or McIntosh County.

Based on our procedures performed, District 25 maintains a true and accurate inventory of all property seized; 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 supported by approved claims, invoices, and independent verification that goods or services paid for were received; 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. In performing the procedures, we noted matters involving the annual reports submitted to the District Attorney's Council, and our finding is presented in the accompanying schedule of findings and responses.

We have included in this report the Drug Asset Forfeiture Annual Reports prepared by District 25, which were submitted to the District Attorneys Council.

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

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

November 15, 2010

**THOMAS GUILIOLI, DISTRICT ATTORNEY
DISTRICT 25
STATUTORY REPORT
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2009**

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2006/2007/2008/-1 – Annual Report

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, the annual reports submitted to the District Attorneys Council should accurately reflect total deposits and total expenditures of the Property Forfeiture Program.

Condition: When recalculating the Drug Asset Forfeiture Annual Reports, we noted the following discrepancies in reporting:

- For the reporting period of July 1, 2005 through June 30, 2006, total income was reported as \$481,403.75. Total receipts per the County Treasurer were \$540,068.17, which results in receipts being understated by \$58,664.42. For the same period, total expenditures and distributions were reported as \$371,574.29. Total disbursements per the County Treasurer were \$400,759.38, which results in expenditures and disbursements being understated by \$29,185.09.
- For the reporting period of July 1, 2006 through June 30, 2007, total income was reported as \$675,290.87. Total receipts per the County Treasurer were \$891,131.04, which results in receipts being understated by \$215,840.17. For the same period, total expenditures and distributions were reported as \$626,136.47. Total disbursements per the County Treasurer were \$890,766.62, which results in expenditures and disbursements being understated by \$264,630.15.
- For the reporting period of July 1, 2007 through June 30, 2008, total income was reported as \$1,137,799.34. Total receipts per the County Treasurer were \$977,327.23, which results in receipts being understated by \$160,472.11. For the same period, total expenditures and distributions were reported as \$822,108.69. Total disbursements per the County Treasurer were \$772,815.13, which results in expenditures and disbursements being understated by \$49,293.56.

Effect: These conditions resulted in misstated financial reports and undetected errors.

Recommendation: OSAI recommends management review the financial reports for accuracy prior to submission and submit a corrected report to the District Attorneys Council.

Views of responsible officials and planned corrective actions: These offices have always used the State Appropriation Ledgers to complete the Annual Reports instead of the General Ledger. This has resulted in errors on the Annual Reports due to deposits at the end of the FY that were not appropriated until the next FY. In the future these offices will use the General Ledger to complete these reports. Amended Annual Reports for the Fiscal Years audited have been submitted to DAC.

FY 06 DRUG ASSET FORFEITURE ANNUAL REPORT

District 25

July 1, 2005 – June 30, 2006

BEGINNING CASH BALANCE ON JULY 1, 2005

\$ 214,552.07

INCOME

Cash Forfeited	\$	<u>214,552.07</u>
Court Ordered Assessments	\$	<u>3,983.38</u>
Value Non-Cash Assets Forfeited and Sold	\$	<u> </u>
Other (please explain)	Interest	<u>4,552.35</u>
	Donation	<u>500.00</u>

TOTAL INCOME (before distributions)

\$ 223,587.80
\$ 463,022.41 (Don't add Balance)

DISTRIBUTION TO OTHER AGENCIES

Cash Returned to Other Agencies	\$	<u>119,807.38</u>
Equipment Purchased for Other Agencies	\$	<u>3,680.75</u>
Other (please explain)	\$	<u> </u>

TOTAL DISTRIBUTIONS

\$ 123,488.13

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and Benefits	\$	<u>166,171.00</u>
Confidential Informants	\$	<u>1,240.00</u>
Cost of Prosecution/Investigation	\$	<u>2,638.55</u>
Education/Prevention	\$	<u>-</u>
Equipment	\$	<u>160.00</u>
Operating Expense	\$	<u>33,748.99</u>
Rent	\$	<u>1,050.00</u>
Storage & Towing	\$	<u>500.00</u>
Travel	\$	<u>-</u>
Other	State Auditor	<u>2,528.29</u>
	Matching Fund D04-022	<u>180.00</u>
	Matching Fund D95-020	<u>39,869.33</u>

TOTAL EXPENDITURES

\$ 248,086.16

ENDING CASH BALANCE ON JUNE 30, 2006

(July 1 Balance + Income - Distributions – Expenditures = June 30 Balance)

\$ 306,000.19 66,545.58



THOMAS C. GIULIOLI
DISTRICT ATTORNEY

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Beryl R. Davis

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Staff
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Kelsey Kossakowski

Bogus Check
Kay Moore
Kelly Metcalfe
(918) 758-1217

Victim Witness
Cindy West

January 10, 2008

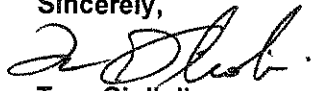
Board of County Commissioners
Okmulgee County Courthouse
Okmulgee, OK 74447

Re: Annual Accounting-D.A. Drug Enforcement Revolving Fund

Pursuant to O.S. 63-2-506, below is an account of our Drug Enforcement Revolving Fund for 2007:

Balance as of January 1, 2007		\$99,652.13
Deposits:		
Forfeitures	\$44302.00	
Restitution	1410.86	
Interest	4045.47	
Transfer from McIntosh County	300,000.00	
Donation (Elks)	<u>500.00</u>	
Total Deposits		\$350,258.33
Expenditures		
Matching Fund Grant J06-25	15,369.48	
Matching Fund Grant J07-25	19,089.66	
Personal Services	153,281.74	
DCS Motor Pool	3369.73	
Vehicle Maintenance/Fuel	10,114.93	
Okmulgee Police Department	5000.00	
Okmulgee Co. Sheriff's Office	5000.00	
Henryetta Police Department	21,435.12	
Purchase Automobiles	<u>67,640.00</u>	
Total Expenditures		\$300,300.66
Balance as of January 1, 2008		\$149,608.90

Sincerely,


Tom Giuloli
District Attorney



THOMAS C. GIULIOLI
DISTRICT ATTORNEY

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Staff
Pat Canny
Kelsey Kossakowski
Ava Ridgeway

Bogus Check
Kelly Metcalfe
Tammie Fairres
918-758-1217

AMENDED 1/16/2009

Victim Witness
Cindy West
918-758-1218

January 10, 2009

Board of County Commissioners
Okmulgee County Courthouse
Okmulgee, OK 74447

Re: Annual Accounting-D.A. Drug Enforcement Revolving Fund

Pursuant to O.S. 19-215-11, below is an account of our Drug Enforcement Revolving Fund for 2008:

Balance as of January 1, 2008		\$149,609.80
Deposits:		
Forfeitures	\$9,093.00	
Restitution	848.50	
Interest	3,479.48	
Transfer from McIntosh County	200,000.00	
Donation (Elks)	500.00	
U S Treasury	736.16	
Total Deposits		\$214,657.14
Expenditures		
Matching Fund Grant J07-25	21,428.45	
Matching Fund Grand J08-25	7,019.84	
Personal Services	148,971.19	
Vehicle Maintenance/Fuel	14,167.39	
Okmulgee Police Department (Share of forfeitures)	4,494.00	
Confidential Funds	2,418.00	
Rent & Utilities for Investigators	7,479.47	
Miscellaneous Operating Expense	2,878.23	
Total Expenditures		\$208,856.57
Balance as of January 1, 2009		\$155,410.37

Sincerely,

Tom Giulioli
District Attorney

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DISTRICT ATTORNEYS
COUNCIL



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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