

**DISTRICT ATTORNEY  
DISTRICT 17**

**PROPERTY  
FORFEITURE FUND**

**JUNE 30, 2007**

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**LAURA ROSS WALLIS  
DISTRICT ATTORNEY, DISTRICT 17  
STATUTORY REPORT  
PROPERTY FORFEITURE FUND  
FOR THE YEAR ENDED  
JUNE 30, 2007**

---

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. § 212 (E) and 63 O.S. §2-506. Pursuant to 74 O.S. § 3105.B, six (6) copies have been prepared and distributed at a cost of \$13.28. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



**STATE OF OKLAHOMA**  
**OFFICE OF THE AUDITOR AND INSPECTOR**

Steve Burrage, CPA  
State Auditor and Inspector

September 5, 2008

Laura Ross Wallis, District Attorney  
District 17

Transmitted herewith is the statutory report for the District Attorney of District 17, Choctaw, McCurtain, and Pushmataha 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".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

A handwritten signature in blue ink that reads "Michelle R. Day".

MICHELLE R. DAY, ESQ.  
DEPUTY STATE AUDITOR & INSPECTOR

**TABLE OF CONTENTS**

Introductory Information ..... ii

Statutory Report of State Auditor and Inspector ..... 1

Property Forfeiture Fund Analysis..... 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.



**STATE OF OKLAHOMA**  
**OFFICE OF THE AUDITOR AND INSPECTOR**

Steve Burrage, CPA  
State Auditor and Inspector

**Statutory Report**

Laura Ross Wallis  
District Attorney, District 17  
PO Box 1075  
Idabel, Oklahoma 74745

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 2007:

- 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 Choctaw, McCurtain, or Pushmataha Counties.

Based on our procedures performed, District 17 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; 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 expenditures being supported by approved claims and/or invoices, and goods or services paid for being received, our finding is included in the accompanying schedule of findings and responses.

We have included in this report a detailed analysis of the Property Forfeiture Fund, which is presented following this report.

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



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR



MICHELLE R. DAY, ESQ.  
DEPUTY STATE AUDITOR & INSPECTOR

August 8, 2008

**PROPERTY FORFEITURE FUND ANALYSIS**

**BEGINNING CASH BALANCE ON JULY 1, 2006** \$ 10,785

**INCOME**

Cash forfeited	34,155
Court ordered assessments	174
Other	<u>677</u>

**TOTAL INCOME (before distributions)** 35,006

**DISTRIBUTION TO OTHER AGENCIES**

Cash returned to other agencies	9,354
Equipment purchased for other agencies	211
Other	<u>638</u>

**TOTAL DISTRIBUTIONS** 10,203

**EXPENDITURES BY DISTRICT ATTORNEY**

Personnel and benefits	7,071
Confidential informants	100
Cost of prosecution/investigation	489
Equipment	488
Operating expense	278
Storage & towing	1,044
Travel	32
Other	983
Other (to McCurtain County)	<u>7,676</u>

**TOTAL EXPENDITURES** 18,161

**ENDING CASH BALANCE ON JUNE 30, 2007** \$ 17,427

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2007-1 – Expenditures**

Criteria: Effective accounting procedures are necessary to ensure stewardship and accountability of public funds. Additionally, effective accounting procedures include all expenditures of the property forfeiture program be supported by approved claims and independent verification that goods or services were received.

Condition: While testing expenditures for the District Attorney’s Property Forfeiture Program, the following exceptions were noted:

- Of the eight (8) expenditures tested in Pushmataha County, eight (8) did not have independent verification that goods or services paid for were received, four (4) claims did not reflect official signatures, two (2) were not signed by the claimant.
- Of the thirteen (13) expenditures tested in McCurtain County, thirteen (13) did not have independent verification that goods or services paid for were received.

Effect: This condition could result in misappropriation of expenditures.

Recommendation: We recommend that claims be authorized for all expenditures and that claims denote independent verification of goods or services received.

Views of responsible officials and planned corrective actions: “As a newly elected District Attorney, the audit covers a six-month period in which I had no authority or control. The audit does not specify dates when the alleged findings occurred. Since this time the Pushmataha County fund has been closed and the Property Forfeiture Program is handled in McCurtain County. After receiving the audit findings, I have met with this programs administrator and have discussed procedures.”

SA&I response: The claim numbers in question were discussed with the District Attorney’s office during fieldwork and again before the exit interview was completed.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896**

**[WWW.SAI.STATE.OK.US](http://WWW.SAI.STATE.OK.US)**