



County Audit

Jim Bob Miller
District Attorney #18
Property Forfeiture Fund

For The Year Ended June 30, 2006



Office of the Oklahoma State Auditor and Inspector
Jeff A. McMahan, CFE

**JIM BOB MILLER
DISTRICT ATTORNEY, DISTRICT 18
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED
JUNE 30, 2006**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

August 20, 2007

Jim Bob Miller, District Attorney
District 18

Transmitted herewith is the statutory report for the District Attorney of District 18, Haskell and Pittsburg 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 black ink that reads "Jeff A. McMahan". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN
State Auditor and 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 substance 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

JEFF A. McMAHAN
State Auditor and Inspector

Statutory Report

Mr. Jim Bob Miller
District Attorney, District 18
Pittsburg County Courthouse
McAlester, Oklahoma 74501

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 2006:

- 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 used for enforcement of controlled dangerous substance laws, drug abuse prevention and education in accordance with 63 O.S. §2-506.L.3.
- 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.
- Determine whether the District is maintaining a true and accurate inventory of seized property in accordance with 63 O.S. §2-506.K.

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 Haskell or Pittsburg County.

Based on our procedures performed, the District is 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 made for lawful uses; 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; 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 District maintaining a true and accurate inventory of seized property, our finding is included in the schedule of findings and recommendations.

We have prepared 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 Haskell County and Pittsburg County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahan". The signature is written in a cursive, flowing style.

JEFF A. McMAHAN
State Auditor and Inspector

May 17, 2007

JIM BOB MILLER, DISTRICT ATTORNEY
DISTRICT 18
STATUTORY REPORT
JUNE 30, 2006

PROPERTY FORFEITURE FUND ANALYSIS

BEGINNING CASH BALANCE ON JULY 1, 2005	\$ 93,818
BEGINNING DRUG ASSET FORFEITURE BALANCE - DAC 6-30-05	362

INCOME

Cash forfeited	36,136	
Court ordered assessments	5,442	
Value-non-cash assets forfeited and sold	55,178	
Other: Adjustment by treasurer to correct error	1	
Restitution	33	
TOTAL INCOME (before distributions)		<u>96,790</u>

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	44,055	
TOTAL DISTRIBUTIONS		<u>44,055</u>

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	20,007	
Compsource Oklahoma, 4th quarter	141	
Confidential informants	500	
Equipment	3,849	
Operating expenses	9,779	
Storage and towing	210	
Travel	397	
Other: Contractor/consultant fees	27,380	
Encumbered from 2005	3,125	
Vehicle lease	2,020	
TOTAL EXPENDITURES BY DISTRICT ATTORNEY		<u>67,408</u>

OUTSTANDING EXPENDITURES

Pittsburg County	519	
Haskell County	15,656	
TOTAL OUTSTANDING EXPENDITURES		<u>16,175</u>

OTHER ITEMS

Balance DAC forfeiture fund 6/30/06	(227)	
Deposit to DAC salaries (in transit) FY 2005	2,500	
TOTAL OTHER ITEMS		<u>2,273</u>
ENDING CASH BALANCE ON JUNE 30, 2006		<u>\$ 97,955</u>

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Finding 2006-1 —Property Forfeiture Seized Items

Criteria: Title 63 O.S. §2-506.K. states, "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: While reviewing Property Forfeiture cases we were unable to determine the disposition of the following seized items:

- Case C-02-20 for \$350.00. This case was dismissed and the money was to be applied to CF-01-131. The money was never applied to the referenced case and we were unable to determine the disposition of the funds.
- Case C-02-27 for \$1,009.48. This case is pending and an officer stated that these funds were returned to the defendant. We unable to determine the disposition of the funds.
- Case C-02-29 for \$999.00. This case is pending and an officer stated that these funds were returned to the defendant. We unable to determine the disposition of the funds.
- Case C-02-232 for \$190,150.00. This case is pending. The original court records state that \$190,150.00 was seized; however, when we counted the money we could only account for \$185,150.00, a variance of (\$5,000.00).
- Case C-03-91 for \$214.00, Colt 410/45 serial #NP307826, and Colt 38 serial #577426. This case is pending and an officer stated that these items were returned to the defendant's attorney. We were unable to determine the disposition of the funds or guns.

Recommendation: We recommend that the District Attorney's Office review this finding to determine if further action is necessary. We further recommend that the District Attorney's Office maintain a true and accurate inventory of all property seized.

Views of responsible officials and planned corrective actions: Actions are being implemented to address the condition and recommendation. Steps have been taken to verify statements of a former employee, but these cannot be confirmed. We will recommend further investigation.