

**EMILY REDMAN, DISTRICT ATTORNEY
DISTRICT 19
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED
JUNE 30, 2007**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

July 1, 2008

Emily Redman, District Attorney
District 19

Transmitted herewith is the statutory report for the District Attorney of District 19, Atoka, Bryan and Coal 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 "Michelle R. Day".

MICHELLE R. DAY, Esq.
Deputy 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 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

Statutory Report

Emily Redman
District Attorney, District 19
Bryan County Courthouse
Durant, Oklahoma 74701

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 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.

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 Atoka, Bryan, or Coal Counties.

Based on our procedures performed, District 19 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; the District Attorney prepared and submitted an annual report to the Board of County Commissioners; and expenditures were properly classified. With respect to expenditures being properly supported by approved claims, invoices, and independent verification that goods or service paid for were received; and the District Attorney reconciling the balance of the Property Forfeiture Fund with the County Treasurer's records monthly, our findings are presented in the attached schedule of findings and responses.

Because of the deficiencies described in the attached findings, a detailed analysis of the Property Forfeiture Fund could not be presented.

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

Sincerely,



MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

June 10, 2008

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 – Reconciliation to County Treasurer’s Records

Criteria: Safeguarding controls are an aspect of internal control. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failures to perform tasks that are a part of internal controls, such as reconciliations not prepared or not timely prepared, are deficiencies in internal controls. Further, reconciliations should be performed on a monthly basis.

Condition: The District Attorney’s Property Forfeiture Annual Report for Bryan County could not be reconciled with the County Treasurer’s general ledger at June 30, 2007.

Effect: This condition could result in unrecorded transactions, misstated financial reports, undetected errors, or misappropriation of assets.

Recommendation: We recommend that the District Attorney maintain accurate financial ledgers for the Property Forfeiture Account and that ledgers be reconciled to the Treasurer’s ledger on a monthly basis.

Views of responsible officials and planned corrective actions: We are looking into the matter and will reconcile with the County Treasurer as soon as possible.

Finding 2007-2 – 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 supporting documentation, such as invoices.

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

- Of the six (6) expenditures tested in Coal County, five (5) did not have claims with official signatures or supporting documentation, and all six (6) did not have independent verification that goods or service paid for were received.
- Of the ten (10) expenditures tested in Bryan County, all ten (10) did not have independent verification that goods or service paid for were received.

Effect: This condition could result in misappropriation of assets.

Recommendation: We recommend that claims be completed for all expenditures and that proper supporting documentation (invoices, receiving signatures) be attached to all claims.

Views of responsible officials and planned corrective actions: We concur with the State Auditor’s findings. We will implement procedures to correct and prevent errors of this nature.



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