

**DISTRICT ATTORNEY
DISTRICT 27**

**PROPERTY
FORFEITURE FUND**

JUNE 30, 2007

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**JERRY MOORE
DISTRICT ATTORNEY, DISTRICT 27
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



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

December 3, 2008

Jerry Moore, District Attorney
District 27

Transmitted herewith is the statutory report for the District Attorney of District 27, Adair, Cherokee, Sequoyah and Wagoner 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

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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 AUDITOR AND INSPECTOR

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Statutory Report

Mr. Jerry Moore
District Attorney, District 27
307 E. Cherokee, 2nd Floor
Wagoner, Oklahoma 74467

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:

- 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 Adair, Wagoner, Sequoyah or Cherokee Counties.

Based on our procedures performed, the District 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; and the District Attorney reconciled the balance of the Property Forfeiture Fund with the County Treasurer's records monthly. With respect to whether expenditures were supported by approved claims, invoices and independent verification that goods or services were paid, and properly classified in accordance with 63 O.S. § 2-508.C.3, and whether the District Attorney prepared and submitted an annual report to the Board of County Commissioners in accordance with 63 O.S. § 2-506.L.3, our findings are included in the schedule of findings and responses.

We have included in this report a detailed analysis of the Property Forfeiture Fund.

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

Sincerely,



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR



MICHELLE R. DAY, ESQ
DEPUTY STATE AUDITOR & INSPECTOR

April 16, 2008

**JERRY MOORE, DISTRICT ATTORNEY
DISTRICT 27
STATUTORY REPORT
JUNE 30, 2007**

PROPERTY FORFEITURE FUND ANALYSIS

BEGINNING CASH BALANCE ON JULY 1, 2006 \$ 420,488

INCOME

Cash forfeited	49,620	
Non-cash assets forfeited and sold	7,000	
Other	<u>620</u>	
TOTAL INCOME (before distributions)		<u>57,240</u>

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	14,616	
Other	<u>2,325</u>	
TOTAL DISTRIBUTIONS		<u>16,941</u>

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	253,000	
Confidential informants	1,917	
Cost of prosecution/investigation	306	
Education/prevention	2,039	
Equipment	11,824	
Operating expense	18,651	
Travel	1,078	
Auto repair	3,256	
Building repair	2,658	
Other	4,388	
Rent	1,500	
Transfer to un-forfeited account	<u>1,696</u>	
TOTAL EXPENDITURES		<u>302,313</u>

ENDING CASH BALANCE ON JUNE 30, 2007 \$ 158,474

JERRY S. MOORE
DISTRICT ATTORNEY, DISTRICT 27
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING JUNE 30, 2007

Finding 2007-1—Lack of Supporting Documentation (Repeat Finding)

Criteria: According to 63 O.S. § 2-508.C.3, " ...The money received from the sale shall be used for the purpose of purchasing controlled dangerous substances to be used as evidence in narcotic cases and fees for informers, or employees and other associated expenses necessary to apprehend and convict violators of the laws of the State of Oklahoma regulating controlled dangerous substances. These funds shall be transferred to the agency special account established pursuant to Section 7.2 of Title 62 of the Oklahoma Statutes or the Bureau of Narcotics Revolving Fund or in the case of a district attorney, the revolving fund in that district for drug education and enforcement. The Director of the Bureau of Narcotics and Dangerous Drugs Control and the Director of State Finance are hereby authorized and directed to promulgate in writing the necessary rules and regulations requiring strict accountability relative to the expenditure of the above funds. In the case of a district attorney, the accountability relative to the expenditure of the fund shall be according to rules already existing for county revolving funds."

The overall goal of accounting principles is to demonstrate accountability and stewardship. To ensure proper accounting of funds, cash vouchers should be properly authorized and approved, and proper supporting documentation should be attached to the claim.

Condition: During our test work, we found all cash vouchers were being issued without proper documentation attached to the claim.

Effect: Without proper documentation, we were unable to determine if expenditures were used in accordance with the provisions of the statute.

Recommendation: OSAI recommends that all purchases should have adequate supporting documentation.

Views of responsible officials and planned corrective actions:

Jerry S. Moore - District Attorney

This will be corrected.

Finding 2007-2— Annual Report (Repeat Finding)

Criteria: According to 63 O.S. § 2-506.L.3, "The balance to a revolving fund in the office of the county treasurer of the county wherein the property was seized, said fund to be used as a revolving fund solely for enforcement of controlled dangerous substances laws, drug abuse prevention and drug abuse education, and maintained by the district attorney in his or her discretion for those purposes with a yearly accounting to the board of county commissioners in whose county the fund is established and to the District Attorneys Council;..."

Condition: During our test work, we noted that an annual report of the property forfeiture revolving fund was not provided to the Board of County Commissioners of each county within the District.

JERRY S. MOORE
DISTRICT ATTORNEY, DISTRICT 27
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING JUNE 30, 2007

Effect: The District Attorney is not being accountable to the Board of County Commissioners for the revolving fund.

Recommendation: OSAI recommends District 27 timely prepare and submit an annual report to the Board of County Commissioners for each county within the District where property forfeiture cases were filed.

Views of responsible officials and planned corrective actions:

Jerry S. Moore - District Attorney

This has been corrected.



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

WWW.SAI.STATE.OK.US