

**DENNIS SMITH
DISTRICT ATTORNEY, DISTRICT 2
STATUTORY REPORT
PROPERTY FORFEITURE
FOR THE YEAR ENDED
JUNE 30, 2003**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

March 8, 2004

Dennis Smith, District Attorney
District 2

Transmitted herewith is the statutory report for the District Attorney of District 2, Beckham, Custer, Ellis, Roger Mills, and Washita Counties, Oklahoma, (the District) for the fiscal year ended June 30, 2003. 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 cursive script that reads "Jeff A. McMahon".

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 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

JEFF A. McMAHAN
State Auditor and Inspector

Statutory Report

Dennis Smith
District Attorney, District 2
P.O. Box 36
Arapaho, Oklahoma 73620

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 2003.

- We examined a group of receipts and deposit slips for propriety.
- We reviewed 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.
- For selected cases, the distribution of proceeds of the sale was reviewed to determine the distribution was in accordance with Court order pursuant to 63 O.S. §2-506.K.
- We determined 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.
- We determined 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.
- We determined 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.
- We determined 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 Beckham, Custer, Ellis, Roger Mills, or Washita, Counties.

Based on our procedures performed, District 2 is properly receipting and depositing the proceeds of forfeitures; forfeited assets were sold after proper notice at public auction to the highest bidder; expenditures were made for lawful uses; expenditures were supported by approved claims, invoices and 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 reconciled the balance of the Property Forfeiture Fund with the County Treasurer's records monthly.

This report is intended for the information and use of the District Attorney and Beckham, Custer, Ellis, Roger Mills, and Washita County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink, reading "Jeff A. McMahan". The signature is written in a cursive style with a large initial "J" and "M".

JEFF A. McMAHAN
State Auditor and Inspector

February 20, 2004

**DRUG ASSET FORFEITURE ANNUAL REPORT
PROPERTY FORFEITURE ACCOUNT ANALYSIS**

Beginning Cash Balance on July 1, 2002 \$ 2,199

INCOME

Cash Forfeited	3,452,272
Court Ordered Assessments	377
Value Non-Cash Assets Forfeited and Sold	93,100
Other	<u>-</u>

Total Income (before distributions) 3,545,749

DISTRIBUTION TO OTHER AGENCIES

Cash Returned to Other Agencies	3,537,150
Equipment Purchased for Other Agencies	<u>-</u>

Total Distributions 3,537,150

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and Benefits	-
Confidential Informants	-
Cost of Prosecution/Investigation	-
Education/Prevention	-
Equipment	-
Operating Expense	8,253
Rent	-
Storage and Towing	-
Travel	-
Other	<u>-</u>

Total Expenditures 8,253

Ending Cash Balance on June 30, 2003 \$ 2,545