

**JOHN WAMPLER  
DISTRICT ATTORNEY, DISTRICT 3  
STATUTORY REPORT  
PROPERTY FORFEITURE FUND  
FOR THE YEAR ENDED  
JUNE 30, 2004**

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STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

August 30, 2005

John Wampler, District Attorney  
District 3

Transmitted herewith is the statutory report for the District Attorney of District 3, Jackson, Tillman, Kiowa, Harmon, and Greer Counties, Oklahoma (the District), for the fiscal year ended June 30, 2004. 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

**TABLE OF CONTENTS**

Introductory Information ..... ii  
Statutory Report of State Auditor and Inspector ..... 1  
Property Forfeiture Fund Analysis ..... 3  
Schedule of Findings and Recommendations ..... 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

JEFF A. McMAHAN  
State Auditor and Inspector

**Statutory Report**

John Wampler  
District Attorney, District 3  
315 S.W. 5<sup>th</sup> Street, Room 502  
Lawton, Oklahoma 73501

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 2004:

- 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.

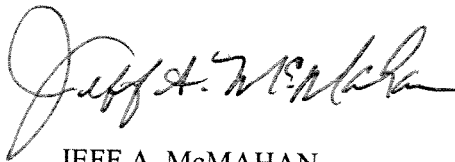
Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with accounting standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Jackson, Tillman, Kiowa, Harmon, or Greer Counties.

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 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 matter of segregation of duties, our finding is presented in the attached Schedule of Findings and Recommendations.

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 Jackson, Tillman, Kiowa, Harmon, and Greer County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink, appearing to read "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

July 11, 2005

**JOHN WAMPLER, DISTRICT ATTORNEY  
DISTRICT 3  
STATUTORY REPORT  
JUNE 30, 2004**

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

Beginning Cash Balance on July 1, 2003		<u>\$ 138,153</u>
	<b>INCOME</b>	
Cash Forfeited	31,012	
Court Ordered Assessments	12,522	
Value Non-Cash Assets Forfeited and Sold	<u>9,740</u>	
Total Income (before distributions)		<u>53,274</u>
	<b>DISTRIBUTION TO OTHER AGENCIES</b>	
Equipment Purchased for Other Agencies	<u>4,156</u>	
Total Distributions		<u>4,156</u>
	<b>EXPENDITURES BY DISTRICT ATTORNEY</b>	
Personnel and Benefits	27,543	
Education/Prevention	55	
Equipment	7,542	
Operating Expense	1,836	
Other	<u>4,083</u>	
Total Expenditures		<u>41,059</u>
Ending Cash Balance on June 30, 2004		<u><u>\$ 146,212</u></u>

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**Finding 2004-1 - Segregation of Duties**

Criteria: Effective internal controls include duties be divided to prevent a single individual from controlling too many aspects of a financial transaction.

Condition: Review of the Property Forfeiture Program indicated there were individuals primarily responsible for receipting, collections, balancing collections to deposits, preparing the deposit slip, taking the deposit to the County Treasurer and recording the deposit in the property forfeiture ledger.

Recommendation: We recommend management be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is desirable to review transactions and cross train employees to perform various duties, and then periodically change the division of the duties. This would provide some level of segregation of duties and increase the possibility for the detection of irregularities.

Views of responsible officials and planned corrective actions: We concur with the State Auditor's comments and will conduct periodic reviews of office operations.