

**CATHY STOCKER, DISTRICT ATTORNEY
DISTRICT 4
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

Steve Burrage, CPA
State Auditor and Inspector

August 27, 2008

Cathy Stocker, District Attorney
District 4

Transmitted herewith is the statutory report for the District Attorney of District 4, Blaine, Canadian, Garfield, Grant, and Kingfisher 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
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Steve Burrage, CPA
State Auditor and Inspector

Statutory Report

Cathy Stocker
District Attorney, District 4
Garfield County Courthouse
Enid, Oklahoma 73701

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 Blaine, Canadian, Garfield, Grant, or Kingfisher County.

Based on our procedures performed, the District was properly receipting 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 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 reconciled the balance of the Property Forfeiture Fund with the County Treasurer's records monthly. With respect to the matter of depositing proceeds of forfeitures, our finding is presented in the attached 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 Blaine, Canadian, Garfield, Grant, and Kingfisher 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

July 24, 2008

**CATHY STOCKER, DISTRICT ATTORNEY
DISTRICT 4
STATUTORY REPORT
JUNE 30, 2007**

PROPERTY FORFEITURE FUND ANALYSIS

BEGINNING CASH BALANCE ON JULY 1, 2006 \$ 690,119

INCOME

Cash forfeited	141,743
Value non-cash assets forfeited and sold	<u>14,261</u>

TOTAL INCOME (before distributions) 156,004

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	15,967
Equipment purchased for other agencies	6,045
Other	<u>500</u>

TOTAL DISTRIBUTIONS 22,512

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	70,000
Education /prevention	3,000
Court costs	<u>1,466</u>

TOTAL EXPENDITURES 74,466

ENDING CASH BALANCE ON JUNE 30, 2007 \$ 749,145

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 - Deposit of Forfeited Funds

Criteria: Effective accounting controls include funds received by an official or his/her employee be deposited in a timely manner and deposited intact into the correct fund in order to provide effective internal controls over the receipt and deposit of funds and the safeguarding of those assets for the governmental entity.

Condition: When forfeiture orders are handed down by the court, it is up to the seizing agency (police or sheriff usually) to deposit the funds with the County Treasurer's office. It appears once the order is issued there is no review process in place to determine the funds are being deposited and/or that the correct amount of funds was deposited.

The following cases from Canadian County are examples:

1. CS-2006-52: Funds were forfeited per court order on 9-15-2006, for the sale of a 1999 Honda at the Sheriff Sale for \$3,050.00, to be deposited in the District Attorney's Revolving Drug Account (DARD). We determined the funds were actually deposited into the Sheriff's Service Fee Account instead of the DARD account.
2. CV-2006-256: Funds in the amount of \$6,749.00 were ordered forfeited. Ultimately \$89.00 more, or \$6,838.00, was deposited.

A similar and related problem was noted due to the lack of what is essentially, "after forfeiture order" review. In many cases, a significant period of time elapsed from the date of forfeiture order issued by the court to the date of deposit.

The following is an example of the delays found in Garfield County:

Case #	Court Order Forfeiture Date	Date Deposited	Amount	Delay
CS-2007-103	3/29/2007	12/26/2007	\$ 205.00	272 days

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Effect: The lack of review may cause the forfeited funds to be lost, misappropriated, or improperly accounted for.

Recommendation: We recommend the District Attorney's administrative staff in Garfield County and Canadian County periodically review forfeiture cases to determine that funds forfeited have been properly and timely deposited.

Views of responsible officials and planned corrective actions: In order to avoid any issues related to holding money prior to the time it is forfeited, we require that the seizing agency retain the money until the conclusion of the forfeiture proceeding. Once the forfeiture is obtained, the agency is notified and makes the deposit directly into our account with the County Treasurer. We have relied on the deposit made by the agency to trigger our completion of the record-keeping for each individual forfeiture. When a deposit was made by the seizing agency, there was no procedure in place requiring that the amount of the deposit be compared to the court order of forfeiture to insure they were the same amount. We will implement internal procedures to insure that those responsible for the record-keeping in forfeiture cases periodically review the cases to determine that funds forfeited have been properly and timely deposited and that the amount deposited corresponds with the amount of money forfeited in the court's order.



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