

**CATHY STOCKER, DISTRICT ATTORNEY  
DISTRICT 4  
STATUTORY REPORT  
PROPERTY FORFEITURE FUND  
FOR THE YEAR ENDED  
JUNE 30, 2008**

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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, 2008. 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 2008:

- 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

**PROPERTY FORFEITURE FUND ANALYSIS**

**BEGINNING CASH BALANCE ON JULY 1, 2007** \$ 749,145

**INCOME**

Cash forfeited	51,085
Value non-cash assets forfeited and sold	<u>1,360</u>

**TOTAL INCOME (before distributions)** 52,445

**DISTRIBUTION TO OTHER AGENCIES**

Cash returned to other agencies	23,913
Equipment purchased for other agencies	11,873
Other	<u>1,357</u>

**TOTAL DISTRIBUTIONS** 37,143

**EXPENDITURES BY DISTRICT ATTORNEY**

Personnel and benefits	90,000
Education /prevention	550
Court costs	<u>3,000</u>

**TOTAL EXPENDITURES** 93,550

**ENDING CASH BALANCE ON JUNE 30, 2008** \$ 670,897

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2008-1 - 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 is an example of the delays found in Garfield County:

<b>Case #</b>	<b>Court Order Forfeiture Date</b>	<b>Date Deposited</b>	<b>Amount</b>	<b>Delay</b>
CS-2007-301	10/2/2007	5/15/2008	\$ 36,916.00	226 days
CS-2007-373	7/20/2007	7/22/2008	\$ 111.00	368 days
CS-2007-426	10/17/2007	5/15/2008	\$ 1,600.00	211 days
CS-2007-483	10/17/2007	5/15/2008	\$ 401.00	211 days
CS-2007-484	10/15/2007	7/22/2008	\$ 1,473.00	281 days

In two cases, CS-2007-373 and CS-2007-484, the funds were only deposited after SA&I staff visited Enid Police Department to determine the status of the funds.

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.

**CATHY STOCKER, DISTRICT ATTORNEY  
DISTRICT 4  
STATUTORY REPORT  
JUNE 30, 2008**

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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.



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

**[WWW.SAI.STATE.OK.US](http://WWW.SAI.STATE.OK.US)**