

**DISTRICT ATTORNEY
DISTRICT 6**

**PROPERTY
FORFEITURE FUND**

JUNE 30, 2006



STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**GENE CHRISTIAN, DISTRICT ATTORNEY
DISTRICT 6
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED
JUNE 30, 2006**

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. § 212 (E) and 63 O.S. §2-506. Pursuant to 74 O.S. § 3105.B, six (6) copies have been prepared and distributed at a cost of \$13.28. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

September 2, 2008

Gene Christian, District Attorney
District 6

Transmitted herewith is the statutory report for the District Attorney of District 6, Caddo, Grady, Jefferson, and Stephens Counties, Oklahoma (the District), for the fiscal year ended June 30, 2006. 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

TABLE OF CONTENTS

Introductory Information ii

Statutory Report of State Auditor and Inspector 1

Property Forfeiture Fund Analysis..... 3

Schedule of Findings and Responses 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

Steve Burrage, CPA
State Auditor and Inspector

Statutory Report

Gene Christian
District Attorney, District 6
217 N. 3rd
Chickasha, Oklahoma 73018

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 2006:

- 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 Caddo, Grady, Jefferson, or Stephens Counties.

Based on our procedures performed, District 6 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; 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 expenditures being supported by approved claims and supporting documentation, 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, which is presented following this report.

This report is intended for the information and use of the District Attorney and Caddo, Grady, Jefferson and Stephens 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

August 20, 2008

**GENE CHRISTIAN, DISTRICT ATTORNEY
DISTRICT 6
STATUTORY REPORT
JUNE 30, 2006**

PROPERTY FORFEITURE FUND ANALYSIS

BEGINNING CASH BALANCE ON JULY 1, 2005 \$ 74,113

INCOME

Cash forfeited	31,792
Court ordered assessments	2,445
Value non-cash assets forfeited and sold	22,260
Other	<u>7,174</u>

TOTAL INCOME (before distributions) 63,671

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	13,018
Equipment purchased for other agencies	6,499
Other	<u>3,752</u>

TOTAL DISTRIBUTIONS 23,269

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	1,000
Cost of prosecution/investigation	1,078
Education/prevention	3,585
Equipment	14,870
Operating expense	12,081
Storage & towing	941
Travel	515
Other	<u>3,036</u>

TOTAL EXPENDITURES 37,106

ENDING CASH BALANCE ON JUNE 30, 2006 \$ 77,409

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2006-1 – Expenditures

Criteria: Effective accounting procedures are necessary to ensure stewardship and accountability of public funds. Additionally, effective accounting procedures include all expenditures of the property forfeiture program be supported by approved claims and supporting documentation.

Condition: While testing expenditures for the District Attorney’s Property Forfeiture Program in Caddo County, we noted that four (4) claims for did not have any supporting documentation attached.

Effect: This condition could result in misappropriation of expenditures.

Recommendation: We recommend that proper supporting documentation be attached to all claims.

Views of responsible officials and corrective action planned: “Documentation was requested in 2006 from the Caddo County Sheriff’s office on (3) three claims dating 11/2/2005, 12/30/2005 and 3/15/2006. The Caddo County Deputy had requested the buy money and promised to provide immediate documentation. Despite repeated requests by the D.A., this deputy failed to produce documentation. When this audit finding was released, the Caddo County Sheriff’s office provided the requested documentation. This documentation is now in the possession of the Caddo County District Attorney’s office and is available upon request.

The voucher for buy money dated 8/22/2005 was cancelled and returned on 10/19/2005 due to funds not being used as shown on the D.A. Drug Fund Balance Sheet.

The issue of buy money is a continuous problem for our office. Law enforcement officers will want to use drug forfeiture money as buy money so they can catch a drug dealer. The officers usually say it is an “emergency” and they need the money right away or the deal is lost. Due to officers failing to provide timely documentation, the District Attorney’s Office has discontinued the practice of providing officers “buy money” out of the drug forfeiture account.

I think the auditors do a great job on behalf of our citizens and our office will continue to cooperate fully with any suggested changes in our accounting procedures.”



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

WWW.SAI.STATE.OK.US