

**DISTRICT ATTORNEY
DISTRICT 6**

**PROPERTY
FORFEITURE FUND**

JUNE 30, 2007

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**BRET T. BURNS, DISTRICT ATTORNEY
DISTRICT 6
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

September 2, 2008

Bret T. Burns, 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, 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 "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

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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

Steve Burrage, CPA
State Auditor and Inspector

Statutory Report

Bret T. Burns
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 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 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

**BRET T. BURNS, DISTRICT ATTORNEY
DISTRICT 6
STATUTORY REPORT
JUNE 30, 2007**

PROPERTY FORFEITURE FUND ANALYSIS

BEGINNING CASH BALANCE ON JULY 1, 2006 \$ 77,409

INCOME

Cash forfeited	22,821
Court ordered assessments	3,811
Other	<u>1,770</u>

TOTAL INCOME (before distributions) 28,402

DISTRIBUTION TO OTHER AGENCIES

Cash returned to other agencies	369
Equipment purchased for other agencies	11,394
Other	<u>749</u>

TOTAL DISTRIBUTIONS 12,512

EXPENDITURES BY DISTRICT ATTORNEY

Cost of prosecution/investigation	1,045
Education/prevention	2,600
Operating expense	21,366
Rent	900
Storage & towing	1,200
Travel	732
Other	<u>2,892</u>

TOTAL EXPENDITURES 30,735

ENDING CASH BALANCE ON JUNE 30, 2007 \$ 62,564

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 – Expenditures (Repeat Finding)

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 the following:

- Two vouchers for drug buy money did not have any documentation attached and one was not supported by an approved claim.
- One voucher to the Ft. Cobb Police Department for forfeiture holdings did not have any documentation attached and was not supported by an approved claim.
- One voucher to Sam's Club for an Olympic Weight Set and Home Gym was not supported by an approved claim. It was noted that the items were later returned for a refund.
- One voucher to Wal-Mart for cameras, memory cards, cases, and batteries was not supported by an approved claim.

Effect: This condition could result in misappropriation of expenditures.

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

Views of responsible officials and corrective action planned:

- "An approved claim and supporting documentation from the Caddo County Sheriff's Office was provided for voucher dating 7/24/2006. An approved claim and supporting documentation was attached to the voucher dated 02/05/2007. This documentation was requested from the Caddo County Sheriff's Office but was not provided by the Sheriff's office until mentioned in the auditor's report. This documentation is now in the possession of the Caddo County District Attorney's Office and is available upon request.
- This was a forfeiture distribution to the Ft. Cobb Police Department from the Caddo County Drug Forfeiture Account. This money was to be used by the Ft. Cobb Police Department for official use in their investigations of illegal drug activity. An approved claim and supporting documentation was provided for voucher issued to the Ft. Cobb Police Department dating 7/18/2006. This documentation is now in the possession of the Caddo County District Attorney's Office and is available upon request.
- Voucher dated 12/22/2006 was issued to Sam's Club without proper approval. Apparently a Caddo County Highway Patrol Officer decided to purchase a gym set for the troopers so they could stay physically fit. This trooper purchased this item and charged it to the District Attorney's Office without the consent of the District Attorney. A District Attorney employee advised this trooper that the D.A.'s office would pay for this item. District Attorney Bret Burns

discovered this unauthorized purchase and directed the Highway Patrol Trooper to take the items back and refund the money into the drug forfeiture account. The D.A.'s employee was terminated for allowing this unauthorized purchase and all the items were returned. The money was refunded into this account on 5/15/2007 as shown on D.A. Drug Fund Balance Sheet.

- This is another example of officers purchasing items without providing the appropriate documentation. The purchase from Wal-Mart was once again the product of a Highway Patrol Trooper and a D.A.'s employee not following proper procedure. This D.A. employee is the same as the one above who was terminated. An approved claim was provided for voucher issued to Wal-Mart dating 7/17/2006. This documentation is now in the possession of the Caddo County District Attorney's Office and is available upon request.

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.”



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