C. WESLEY LANE, II
DISTRICT ATTORNEY, DISTRICT 7
STATUTORY REPORT
PROPERTY FORFEITURE FUND
FOR THE YEAR ENDED
JUNE 30, 2004

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May 16, 2005

C. Wesley Lane II
District Attorney, District 7
Oklahoma County Courthouse
Oklahoma City, Oklahoma 73102

Transmitted herewith is the statutory report for the District Attorney of District 7, Oklahoma County, 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,

JEFF A. McMAHAN
State Auditor and Inspector
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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 substance 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.
C. Wesley Lane, II
District Attorney, District 7
Oklahoma County Courthouse
Oklahoma City, Oklahoma 73102

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 accountability relative to the expenditures of the fund as required by 63 O.S. §2-508.C.3 is practiced with respect to approvals, invoices, and independent verification that goods or services paid for were received.
- 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 accountability relative to the expenditures of the fund as required by 63 O.S. §2-508.C.3 is practiced with respect to proper classification 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 financial statements of Oklahoma County.
Based on our procedures performed, District 7 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.

A detailed analysis of the Property Forfeiture Fund is also attached.

This report is intended for the information and use of the District Attorney and Oklahoma County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

JEFF A. McMAHAN  
State Auditor and Inspector

May 2, 2005
PROPERTY FORFEITURE FUND ANALYSIS

Beginning Cash Balance on July 1, 2003 $ 45,037

INCOME

Cash Forfeited 1,007,677
Court Ordered Assessments 1,733,360
Value Non-Cash Assets Forfeited and Sold 130,544
Other Income (reimbursements, etc.) 20,706

Total Income (before distributions) 2,892,287

DISTRIBUTION TO OTHER AGENCIES

Cash Returned to Other Agencies 677,641
Equipment Purchased for Other Agencies -
Task Force Match -

Total Distributions 677,641

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and Benefits 1,084,594
Transfer Shared Funds to other Account 500,000
Deposit to Misc-DAC 410,000

Operating Expense 38,974
Cost of Prosecution/Investigation 31,989
Rent and Utilities 30,450
Grant Cash Match 15,467
Equipment 10,646
Miscellaneous 4,508
Travel 4,338
Audit 3,819
Storage and Towing 2,649

Total Expenditures 2,137,434

Ending Cash Balance on June 30, 2004 $ 122,249