

**DAVID PRATER
DISTRICT ATTORNEY, DISTRICT 7
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

July 7, 2008

David Prater, District Attorney
District 7

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, 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 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.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Statutory Report

David Prater
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 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 financial statements of Oklahoma County.

Based on our procedures performed, District 7 was distributing the proceeds of forfeitures 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 reconciles the balance of the Property Forfeiture Fund with the County Treasurer's records monthly. With respect to matters of properly receipting and depositing the proceeds of forfeitures and forfeited assets being sold after proper notice at public auction to the highest bidder, our findings are presented in the attached schedule of findings and recommendations.

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 Oklahoma County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in blue ink that reads "Michelle R. Day". The signature is written in a cursive, flowing style.

MICHELLE R. DAY, Esq.
Deputy State Auditor and Inspector

June 11, 2008

**DAVID PRATER, DISTRICT ATTORNEY
DISTRICT 7
STATUTORY REPORT
JUNE 30, 2007**

PROPERTY FORFEITURE FUND ANALYSIS

BEGINNING CASH BALANCE ON JULY 1, 2006 \$ 248,330

INCOME

Cash forfeited	1,090,781
Value non-cash assets forfeited and sold	64,079
Other: reimbursements	<u>711,569</u>

TOTAL INCOME (before distributions) 1,866,429

DISTRIBUTION TO OTHER AGENCIES

Other: returned to other agencies	526,178
Equipment purchased for other agencies	<u>46,589</u>

TOTAL DISTRIBUTIONS 572,767

EXPENDITURES BY DISTRICT ATTORNEY

Personnel and benefits	948,798
Cost of prosecution/investigation	1,657
Education/prevention	150
Equipment	3,877
Operating expense	166,662
Rent	48,930
Travel	917
Other: Auditing expenses	5,696
Legal services	<u>14,188</u>

TOTAL EXPENDITURES BY DISTRICT ATTORNEY 1,190,875

ENDING CASH BALANCE ON JUNE 30, 2007 \$ 351,117

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 - Inventory

Criteria: A primary objective of a sound system of internal controls is to provide timely, accurate, and complete information. Failure to perform tasks that are part of internal controls, such as updating records that properly reflect the description of the items, the location of the items, and status of the case, are deficiencies in internal control.

Condition: During our testing of twenty-five (25) cases we noted one (1) case with the following exceptions:

Item Not Identifiable by Description

*Blue Point Impact Wrench-Serial Number Removed

Items Not Found

*Stihl Chain Saw, Orange and White

*Powercraft Table Saw

*Dewalt Salzaw (Orange)

During our discussion with the District Attorney's Office and the Law Enforcement Agency, we learned that the items missing were not being used by the law enforcement agency and could have been disposed or auctioned.

Effect: Without accurate inventory information the District Attorney's Office may not know the status of inventory items or if the items are properly safeguarded.

Recommendation: We recommend procedures be implemented by the District Attorney's Office to effectively communicate with all outside law enforcement agencies that store property. We also recommend the District Attorney's Office properly document the items on hand to know the description of the items, the location of the items, and status of the case.

Views of responsible officials and planned corrective actions: See attached.

Finding 2007-2 - Timely Deposits

Criteria: Safeguarding controls are an aspect of internal controls. Safeguarding controls relate to the prevention or timely detection of unauthorized transactions and unauthorized access to assets. Failure to perform tasks that are part of internal controls, such as not depositing monies timely, are deficiencies in internal control.

Condition: While performing Property Forfeiture procedures, we noted undeposited items totaling \$2,065.85.

Recommendation: We recommend the District Attorney's Office deposit money timely and determine disposition of the funds.

Views of responsible officials and planned corrective actions: See attached.



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