



**DALLAS COUNTY**  
**COUNTY AUDITOR**

To: The Honorable Ben Adamcik, Constable  
Commissioners Court

From: Darryl D. Thomas, County Auditor *Darryl D. Thomas*

Date: January 25, 2016

Re: Constable Precinct 3 – State Forfeiture FY2015

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**Scope**

A review was performed of financial records relevant to the Constable's use of State forfeiture funds in accordance with Code of Criminal Procedure, Article 59. The forfeiture activity includes \$0 seized, \$0 forfeited, and \$1,497 expended for Constable Precinct 3 during the state fiscal year ending September 30, 2015. Forfeited funds are held in a special account in the treasury, to be used by the Constable solely for the law enforcement purposes of his office.

**Procedures**

The auditor tested the approved budget and availability of cash. Internal controls for financial management by the Constable office including purchasing, accounting, compliance, and reporting are tested at year-end. A random sampling of the total budget activity was selected for certain procedures, while some categories were reviewed in entirety. Review steps included, but were not limited to:

- A. Purchasing
  - Approvals: documented prior to allocations or purchase/obligation
  - Policies/Travel (hotel – meals – transportation)
- B. Accounting
  - Approvals/Support: documented on receipt of service/goods
  - Allocation/Justification: category coding
  - Bank Reconciliation: Constable Precinct 3 records vs. General Ledger vs. bank and outstanding entries
- C. Compliance – used by Constable solely for law enforcement purposes (see Attorney General's opinions on "official law enforcement purposes")
  - Budget/Categories: filed with Commissioners Court at sufficient level both for investigation and non-investigation disclosure
- D. Reporting
  - Budget and Categories: consistent with Attorney General's format
  - Audit: timely signed and remitted

**E. Walkthrough**

- Documents internal controls for the complete procurement process
- Document internal controls for handling seized and forfeited funds and assets
- Document internal controls for handling of capital and non-capital property (recordkeeping /tracking / tagging)
- Determine if written procedures are in place

**Consideration of Internal Control**

Tests were performed for limited purpose of compiling financial transactions in format required by the Attorney General. A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of control deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We identified the following findings during test work:

- Three non-capital expenditures were incorrectly coded as capital expenditures.

The following findings were identified during the walkthrough:

- The office does not have written procedures regarding the seizure and forfeiture of property. The Constable's office should develop a written process for asset seizure and forfeiture property. The Forfeiture process should include a workflow describing how officers seize assets at the crime scene, document assets at the crime scene, transport assets to the Constable's office, store seized assets, deposit seized money in escrow, hold auctions after case adjudication, deposit money in the forfeiture account, and manage the use of forfeiture funds for purchases.
- The office does not have an asset tracking system to record purchases of track-able items made with forfeiture funds. Assets should be tracked according to UGMS 2 CFR section 215.34, tagged and recorded promptly once it is received.
- Officers do not count seized cash at the seizure location. The Constable's office should count all seized cash at the seizure location in the presence of another officer or arrestee, when sufficiently practical, and complete all required fields of the evidence bag prior to sealing it. When circumstances such as officer safety, volume of cash, or available resources make an immediate count and verification unfeasible, it is permissible to photograph the cash reasonably estimate the amount of cash, secure the cash and count and verify it at another location. In all circumstances, the count should be verified by another officer.
- There is limited oversight of seized property when one officer transports the evidence and assets to the Constable's office from a crime scene. Due to limited staff, seized evidence and assets should also be photographed in the evidence bags with the bag # and description of evidence visible in the photo. Additionally, a different officer than the transporting officer should seal the bag to ensure assets cannot be removed without breaking or tampering with the seal.
- The Chief Clerk requests and approves purchase requisitions, systematically sent through the Oracle Financial System to the Purchasing Department for processing, after obtaining verbal approval from the Constable. The Constable's office should implement a procedure that requires the purchase requisition preparer/requester to be someone other than the approver. Electronic approval of purchase requisitions should be routed to the Constable or Chief Deputy Constable, as back-up, when submitting expenditures through Oracle to the purchasing department.

**Compliance with Laws and Regulations**

Audit examination, observation, inspection, and inquiry produced reasonable support or explanation for Chapter 59 conclusions and findings. A random sample of expenditures was examined to verify the existence of property purchased with state forfeiture funds. A full inventory was conducted on property obtained

through past forfeitures and all items were identified and documented during the Chapter 59 audit. However, an asset tracking system, in accordance with UGMS 2 CFR Section 215.34 and Dallas County Code Sec. 90-373, was not maintained.

Funds used supplemented versus supplanted the County budget. We did not identify expenditures inconsistent with permissible uses of Code of Criminal Procedure, Article 59.06 for “law enforcement purposes” (also see Attorney General Opinions GA-1059, DM-162, DM-246, and GA-613).

### **Summary**

We obtained a reasonable assurance that support exists for financial transactions and walked through the process and procedures for seizing currency and property, storing seized assets, accounting for seized and forfeited assets, depositing seized and forfeited state funds in the seizure and forfeiture account, procuring supplies, assets, and services, expending forfeited funds, and tracking capital and non-capital items noting: an inadequate separation of duties in the requisition creation and approval process; and, lack of asset tracking system. We also compiled records for the financial report.

This report is intended for the information and use of County Officers. Our review was conducted on a test basis and was not designed to identify all deficiencies in internal control. We did not test compliance with all laws and regulations applicable to the Dallas County Constable Precinct No. 3 office. Testing was limited to controls and regulations that have a direct and material effect on financial reporting of state forfeiture funds.

Constable Precinct 3 administration is responsible for the establishment and maintenance of effective internal control and compliance with applicable laws, regulations, and contracts.



**DALLAS COUNTY  
COUNTY AUDITOR**

**INFORMATIONAL BRIEFING**

December 2, 2015

Memorandum

To: Darryl Martin  
Commissioners Court Administrator

From: Darryl D. Thomas *Darryl D. Thomas*  
County Auditor

Subject: Chapter 59 Sheriff, Clean Air, & Constables Forfeiture Audit Filings

**BACKGROUND:**

FY2015 audits were performed according to state requirements as contained in V.T.C.A., Code of Criminal Procedure, Article 59.06 (g). The certified reports are to be delivered to the Criminal Prosecutions Division of the Office of the Attorney General no later than 60 days after the end of the County's fiscal year end or November 29<sup>th</sup>. According to statute, the audits shall be completed annually by the Commissioners Court on a form provided by the Office of the Attorney General. New procedures implemented by the Office of the Attorney General require the forms to be completed and electronically certified/submitted online by the Auditor (preparer certification) and the elected official (head of agency certification). The Chapter 59 audits included a review of the proceeds, expenditures and property from criminal seizures for the various offices and the corresponding cases filed by the Dallas County District Attorney's Office.

**LEGAL IMPACT:**

The certified reports are submitted for filing with Commissioners Court.

**STRATEGIC PLAN COMPLIANCE:**

This briefing is consistent with Dallas County's Strategic Plan Vision 3. The state law enforcement officials coordinated to reduce crime which resulted in receiving a share of forfeited assets to be used for future law enforcement purposes.

**RECOMMENDATION:**

The County Auditor submits for Commissioners Court filing the FY2015 Chapter 59 Sheriff, Clean Air Task Force, and Constable Precinct Nos. 1 through 5 State Forfeiture Audits.

91042 - Sheriff Department  
91043 - Constable Precinct No. 1  
91049 - Constable Precinct No. 2  
91047 - Constable Precinct No. 3  
91052 - Constable Precinct No. 4  
91053 - Constable Precinct No. 5  
94072 - Clean Air Task Force

attachments

509 Main Street  
Suite 407

Dallas, Texas 75202

214-653-6472  
FAX 214-653-6440

FY 2015  
CHAPTER 59 ASSET FORFEITURE REPORT  
BY LAW ENFORCEMENT AGENCY

Agency Dallas County Constable Precinct 3  
Mailing Address 10056 Marsh Ln, Ste. 230  
City Dallas  
State TX  
Zip 75229  
Phone Number (214) 904-3160  
Fiscal Beginning Month October  
Fiscal Ending Month September  
Fiscal Year 2015

NOTE: PLEASE ROUND ALL FIGURES TO NEAREST WHOLE DOLLAR

I. SEIZED FUNDS PURSUANT TO CHAPTER 59

A) Beginning Balance: \$2,464.00

B) Seizures During Reporting Period:

1) Amount seized and retained in your agency's custody \$0.00

2) Amount seized and transferred to the District Attorney pending forfeiture \$0.00

3) Total Seizures \$0.00

C) Interest Earned on Seized Funds During Reporting Period: \$0.00

D) Amount Returned to Defendants/Respondents: \$0.00

E) Amount Transferred to Forfeiture Account: \$0.00

F) Other Reconciliation Items: (\$2,464.00)

Description: Payment to Texas State Comptroller for Unclaimed Property: State of Texas DC-11-04929 vs Two Thousand Four Hundred Sixty-Four Dollars, Walter Bradley

G) Ending Balance \$0.00

II. FORFEITED FUNDS AND OTHER COURT AWARDS PURSUANT TO CHAPTER 59

A) Beginning Balance: \$22,374.00

B) Amount Forfeited to and Received by Reporting Agency (Including Interest) During Reporting Period: \$0.00

C) Interest Earned on Forfeited Funds During Reporting Period: \$82.00

D) Amount Awarded Pursuant to 59.022: \$0.00

E) Amount Awarded Pursuant to 59.023: \$0.00

F) Proceeds Received by Your Agency From Sale of Forfeited Property: \$0.00

G) Amount Returned to Crime Victims: \$0.00

H) Other Reconciliation Items: \$0.00

Description:

I) Total expenditures of Forfeited Funds During Reporting Period: \$1,497.00

J) Ending Balance: \$20,959.00

### III. OTHER PROPERTY

#### A) MOTOR VEHICLES (Include cars, motorcycles, tractor trailers, etc.)

1) Seized: 0

2) Forfeited to Agency: 0

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

#### B) REAL PROPERTY (Count each parcel seized as one item)

1) Seized: 0

2) Forfeited to Agency: 0

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

#### C) COMPUTERS (Include computer and attached system components, such as printers and monitors, as one item)

1) Seized: 0

2) Forfeited to Agency: 0

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

#### D) FIREARMS (Include only firearms seized for forfeiture under Chapter 59. Do not include weapons disposed under Chapter 18)

1) Seized: 0

2) Forfeited to Agency: 0

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

#### E) Other Property

Description	Seized	Forfeited to Agency	Returned to Defendants/Respondents	Put into use by Agency
	0	0	0	0

### IV. FORFEITED PROPERTY RECEIVED FROM ANOTHER AGENCY

A) Motor Vehicles: 0

B) Real Property: 0

C) Computers: 0

D) Firearms:	0
E) Other:	0

V. FORFEITED PROPERTY TRANSFERRED OR LOANED TO ANOTHER AGENCY

A) Motor Vehicles:	0
B) Real Property:	0
C) Computers:	0
D) Firearms:	0
E) Other:	0

VI. EXPENDITURES

A) SALARIES

1) Increase of Salary, Expense or Allowance for Employees (Salary Supplements):	\$0.00
2) Salary Budgeted Solely From Forfeited Funds:	\$0.00
3) Number of Employees Paid Using Forfeiture Funds:	0
4) TOTAL SALARIES PAID OUT OF CHAPTER 59 FUNDS:	\$0.00

B) OVERTIME

1) For Employees Budgeted by Governing Body:	\$0.00
2) For Employees Budgeted Solely out of Forfeiture Funds:	\$0.00
3) Number of Employees Paid Using Forfeiture Funds:	0
4) TOTAL OVERTIME PAID OUT OF CHAPTER 59 FUNDS:	\$0.00

C) EQUIPMENT

1) Vehicles:	\$0.00
2) Computers:	\$0.00
3) Firearms, Protective Body Armor, Personal Equipment:	\$0.00
4) Furniture:	\$0.00
5) Software:	\$0.00
6) Maintenance Costs:	\$0.00
7) Uniforms:	\$699.00
8) K9 Related Costs:	\$0.00
9) Other:	\$270.00
Description:	Wireless Headsets

10) TOTAL EQUIPMENT PURCHASED WITH CHAPTER 59 FUNDS:

\$969.00

#### D) SUPPLIES

1) Office Supplies: \$0.00  
2) Mobile Phone and Data Account Fees: \$0.00  
3) Internet: \$418.00  
4) Other: \$0.00

Description:

5) TOTAL SUPPLIES PURCHASED WITH CHAPTER 59 FUNDS:

\$418.00

#### E) Travel

##### 1) In State Travel

a) Transportation: \$0.00  
b) Meals & Lodging: \$0.00  
c) Mileage: \$0.00  
d) Incidental Expenses: \$0.00  
e) Total In State Travel: \$0.00

##### 2) Out of State Travel

a) Transportation: \$0.00  
b) Meals & Lodging: \$0.00  
c) Mileage: \$0.00  
d) Incidental Expenses: \$0.00  
e) Total Out of State Travel: \$0.00

#### 3) TOTAL TRAVEL PAID OUT OF CHAPTER 59 FUNDS

Total Travel Paid Out of Chapter 59 Funds:

\$0.00

#### F) TRAINING

1) Fees (Conferences, Seminars): \$0.00  
2) Materials (Books, CDs, Videos, etc.): \$0.00  
3) Other: \$0.00

Description:

4) TOTAL TRAINING PAID OUT OF CHAPTER 59 FUNDS: \$0.00

#### G) INVESTIGATIVE COSTS

1) Informant Costs: \$0.00

2) Buy Money: \$0.00

3) Lab Expenses: \$0.00

4) Other: \$0.00

Description:

5) TOTAL INVESTIGATIVE COSTS PAID OUT OF CHAPTER 59 FUNDS: \$0.00

#### H) PREVENTION / TREATMENT PROGRAMS / FINANCIAL ASSISTANCE / DONATIONS

1) Total Prevention/Treatment Programs (pursuant to 59.06 (d-3(6), (h), (j))): \$0.00

2) Total Financial Assistance (pursuant to Articles 59.06 (n) and (o) ): \$0.00

3) Total Donations (pursuant to Articles 59.06 (d-2)): \$0.00

4) TOTAL PREVENTION/TREATMENT PROGRAMS/FINANCIAL ASSISTANCE/DONATIONS (pursuant to Articles 59.06 (d-3(6)), (h), (j), (n), (o), (d-2)): \$0.00

#### I) FACILITY COSTS

1) Building Purchase: \$0.00

2) Lease Payments: \$0.00

3) Remodeling: \$0.00

4) Maintenance Costs: \$0.00

5) Utilities: \$0.00

6) Other: \$0.00

Description:

7) TOTAL FACILITY COSTS PAID OUT OF CHAPTER 59 FUNDS: \$0.00

#### J) MISCELLANEOUS FEES

1) Court Costs: \$0.00

2) Filing Fees: \$0.00

3) Insurance: \$0.00

4) Witness Fees (including travel and security): \$0.00

5) Audit Costs and Fees (including audit

preparation and  
professional fees): \$0.00

6) Other: \$50.00

Description: North Texas Crime Commission Membership

7) TOTAL MISCELLANEOUS FEES PAID OUT OF CHAPTER 59 FUNDS:

K) PAID TO STATE TREASURY / GENERAL FUND / HEALTH & HUMAN SERVICES COMMISSION

1) Total paid to State Treasury due to lack of local agreement pursuant to 59.06 (c):	\$0.00
2) Total paid to State Treasury due to participating in task force not established in accordance with 59.06 (q)(1):	\$0.00
3) Total paid to General Fund pursuant to 59.06 (C-3) (c) (Texas Department of Public Safety only):	\$0.00
4) Total forfeiture funds transferred to the Health and Human Services Commission pursuant to 59.06 (p):	\$0.00
5) TOTAL PAID TO STATE TREASURY/ GENERAL FUND/ HEALTH & HUMAN SERVICES COMMISSION OUT OF CHAPTER 59 FUNDS:	\$0.00

L) TOTAL PAID TO COOPERATING AGENCY(IES) PURSUANT TO LOCAL AGREEMENT

TOTAL PAID TO COOPERATING AGENCY(IES) PURSUANT TO LOCAL AGREEMENT: \$0.00

M) TOTAL OTHER EXPENSES PAID OUT OF CHAPTER 59 FUNDS WHICH ARE NOT ACCOUNTED FOR IN PREVIOUS CATEGORIES

TOTAL OTHER  
EXPENSES PAID OUT  
OF CHAPTER 59 FUNDS  
WHICH ARE NOT  
ACCOUNTED FOR IN  
PREVIOUS  
CATEGORIES: \$60.00

Description: Door Button Transmitters for Onsite Usage

N) TOTAL EXPENDITURES

TOTAL EXPENDITURES: \$1,497.00

## AUDITOR/ TREASURER/ACCOUNTING PROFESSIONAL/PREPARER CERTIFICATION

By pressing "Save" below using your email address and password account access, and pursuant to the terms of service, you certify that you swear or affirm that the Commissioners Court, City Council or Head of Agency(if no governing body) has requested that you conduct the audit required by Article 59.06 of the Code of Criminal Procedure and that upon diligent inspection of all relevant documents and supporting materials, you believe that the information contained in this report is true and correct to the best of your Knowledge.

AUDITOR/ TREASURER/  
ACCOUNTING  
PROFESSIONAL/ Darryl D. Thomas  
PREPARER  
SIGNATURE:

TITLE: Dallas County Auditor

## HEAD OF AGENCY CERTIFICATION

By pressing "Submit" below using your email address and password account access, and pursuant to the terms of service you swear or affirm, under penalty of perjury, that you have accounted for the seizure, forfeiture, receipt, and specific expenditure of all proceeds and property subject to Chapter 59 of the Code of Criminal Procedure, and that upon diligent inspection of all relevant documents and supporting materials, this asset forfeiture report is true and correct and contains all information required by Article 59.06 of the Code of Criminal Procedure. You further swear or affirm that, to the best of your knowledge, all expenditures reported herein were lawful and proper, and made in accordance with Texas law.

HEAD OF AGENCY  
SIGNATURE: Ben Adamcik

TITLE: Elected Constable

DATE: 11/30/2015

Comments