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Honorable John Creuzot
District Attorney
Dallas, Texas

RE: FINAL AUDIT REPORT **State Forfeiture Chapter 59 District Attorney - FY2024**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period of September 1, 2023, through August 31, 2024.

The objectives of the engagement were to determine whether:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

Overall Results

A review of District Attorney Chapter 59 State Forfeiture cases revealed payments totaling $134,637 had not been received on closed cases and payments received late were not charged a late fee per local agreement.

We appreciate the cooperation of the department and the staff during our review. If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

Timothy J. Hicks

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ISSUED: 2/18/2025
RELEASED: MARCH 12, 2025

## REPORTABLE FINDINGS

### ISS.25-DAState-48-01 Closed Cases Billing:

As of January 3, 2025, a review of 450 closed forfeiture case billings and the corresponding fiscal year 2024 payments totaling $936,646 revealed 64 closed cases totaling $134,637 in which payment had not been received. Additionally, 233 payments received after the 60-day due date were not charged a late fee per the local agreement.

**Status:** As of February 6, 2025, $59,183 has been collected for 24 closed cases. This lowers the current balance due to the District Attorney to $75,454.

Suggested Actions

- Develop and implement accounts receivables procedures outstanding balances on closed cases. Amounts due should be tracked with follow-up on any unpaid invoices.
- Enforce local agreement terms related to charging late fees.

Management Action Plan

- As of February 20, 2025, the total outstanding balance due to the District Attorney's Office across multiple agencies is $68,844.39, with 34 closed cases still pending payment.
- The goal is to improve the collection of outstanding balances on closed forfeiture cases while optimizing internal processes, despite staffing limitations. By enhancing follow-up efforts and streamlining workflows, the department can ensure timely payments and reduce uncollected revenue.
    - To improve efficiency, the existing tracking system will be optimized. Automated alerts and streamlined reporting will be implemented to minimized manual work and improve oversight of outstanding balances. Monthly report/payment review will be reinforced to track outstanding balances and monitor collection progress.
    - Follow-up procedures on overdue payments will be strengthened.
    - To further enhance collection efforts, clear follow-up schedules and improved agency communication will be established.

### ISS.25-DAState-48-02 Monthly Civil Asset Forfeiture Stat Report Review:

The District Attorney Monthly Civil Asset Forfeiture Stat reports reflect various discrepancies when compared to the original petitions and final judgments.

- Financial records related to currency and property seized and awarded were incorrectly reflected in the monthly Civil Asset Forfeiture Stat reports.

## REPORTABLE FINDINGS

Suggested Actions

- Ensure seizure/forfeiture data entered into the system accurately reflects information from the original case petitions and signed final judgements.
- Periodically review the Civil Asset Forfeiture Stat report to ensure data accuracy.
- Consider implementing an automated system that would feed data into the Legal Files system.

Management Action Plan

The goal is to ensure accuracy in Civil Asset Forfeiture Stat reports by reducing data entry error, strengthening review processes, and exploring automation options. By improving data verification and implementing structured review procedures, the department can enhance data integrity and compliance while minimizing input errors.

- To improve efficiency, a verification process will be implemented to cross-check data against original case petitions and judgments before entry. Staff will receive receive refresher training to minimize errors, ensuring consistency and accuracy in data entry.
- A formal review process will be established with designated personnel conducting monthly reconciliations to verify report accuracy before finalization. This will help identify discrepancies early and improve overall data integrity.

cc: Darryl Martin, Commissioners Court Administration