



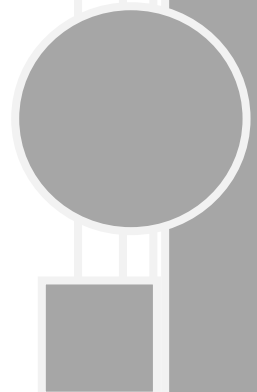
AUDIT REPORT

DALLAS COUNTY

STATE FORFEITURE - CLEAN AIR TASK FORCE - FY2023

Wendwessen Stefanos, CPA
First Assistant County Auditor

ISSUED: 5/16/2024
RELEASED: JULY 16, 2024



State Forfeiture - Clean Air Task Force - FY2023

TABLE OF CONTENTS

State Forfeiture - Clean Air Task Force - FY2023	2
MANAGEMENT LETTER	3
EXECUTIVE SUMMARY.....	4
INTRODUCTION	5
DETAILS	6
Property	6
Seized Funds.....	7

This report is intended for the information and use of the agency/department. While we have reviewed internal controls and financial reports, this review will not necessarily disclose all matters of a material weakness. It is the responsibility of the department to establish and maintain effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the department.



DALLAS COUNTY
COUNTY AUDITOR

MANAGEMENT LETTER

Honorable Marian Brown
Dallas County Sheriff
Dallas, Texas

Attached is the County Auditor's final report entitled "**State Forfeiture - Clean Air Task Force - FY2023**" Report. In order to reduce paper usage, a hard copy will not be sent through in-house mail except to the auditee.

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,

wessen Stefanos

Wendwessen Stefanos, CPA
First Assistant County Auditor

EXECUTIVE SUMMARY

The FY2023 audit for Clean Air Task Force's use of State Forfeiture Funds was performed according to state requirements as contained in V.T.C.A., Code of Criminal Procedure, Article 59.06 (g). Chapter 59 audit included a review of the proceeds, expenditures, and property from criminal seizures for the various agencies and the corresponding cases filed by the Dallas County District Attorney's Office.

Summary of Significant Observations:

- **Seized Funds:** Department management did not follow-through on efforts to return seized funds totaling \$2,056.55 to two defendants. This resulted in delayed disbursement of funds to owners or interest holders that are legally decreed by final judgment.

Repeat observations from Previous Audits:

- **Seized Funds:** The Sheriff's Department did not review District Court orders for final judgment and did not follow-through on efforts to return seized funds totaling \$2,056.55 to two defendants.
- **Property:** Three property items remain missing from prior audits.

Only those weaknesses which have come to our attention as a result of the audit have been reported. It is the responsibility of the department management to establish and maintain effective internal control over compliance with the requirement of laws, regulations, and contracts applicable to the department.

INTRODUCTION

Dallas County Auditor's Office mission is to provide responsible, progressive leadership by accomplishing the following:

- Comply with applicable laws and regulations.
- Safeguard and monitor the assets of the County utilizing sound fiscal policies.
- Assess risk and establish and administer adequate internal controls.
- Accurately record and report financial transactions of the County.
- Ensure accurate and timely processing of amounts due to County employees and vendors.
- Set an example of honesty, fairness and professionalism for Dallas County government.
- Provide services with integrity.
- Work in partnership with all departments to resolve all issues of the County.
- Strive to utilize the latest efficient and effective technology in the performance of tasks.
- Provide technical support and training in the development, implementation, and maintenance of information systems.
- Hold ourselves accountable to the citizens of the County at all times.
- Be responsive to the elected officials and department heads of Dallas County.

The objectives of this audit are to:

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

This audit covered the period of October 1, 2022 through September 30, 2023.

The audit procedures will include interviews with key process owners, observation of transactions processing, data analysis and sample testing of transactions. The main system used will also be reviewed and incorporated as part of the testing of transactions.



DETAILS

Property

Criteria

Per Dallas County Code Section 90-373, "All department heads and elected officials are responsible for maintaining property assigned to their department, proper inventory records, and making appropriate reports as required."

Capital and non-capital property should be tracked according to Uniform Grant Management Standards 2 CFR Section 215.34(f).

Review

A review of all Clean Air Task Force seized and forfeited property revealed:

- Inventory records do not include the legal status of the property (seized or forfeited), the seized property's associated costs, sales price, and method used to calculate the fair market value.
- Three property items remain missing from prior audits. The department also did not submit a request for deletion to the Commissioners Court to remove the items from the forfeiture inventory list as recommended in the prior audit.

Cause/Effect

A lack of management control over seized and forfeited property and chain of custody documentation may result in misappropriation of assets. This also may result in a loss of property when assets are not tracked and identifying information recorded.

Recommendation

Property

Management should:

- Brief the Commissioners Court on the three items that remain missing to remove from forfeiture records.
- Update inventory records to include the status of the property (seized or forfeited), the property's associated costs, sales price, or method used to calculate the fair market value.
- Comply with Dallas County Code Section 90-373 and the Uniform Grant Management Standards 2 CFR Section 215.34(f).



Management Action Plan

- Findings are noted.
- On the first point, the section puts all available information as possible.
- On the second point, the department will request the Commissioners Court to delete missing items.

Auditor's Response

- None

Seized Funds

Criteria

Code of Criminal Procedure Article (CCP) 59.05(e) states, "If the court finds that all or any part of the property is subject to forfeiture, the judge shall forfeit the property to the state, with the attorney representing the state as the agent for the state, except that if the court finds that the nonforfeitable interest of an interest holder in the property is valued in an amount greater than or substantially equal to the present value of the property, the court shall order the property released to the interest holder. On final judgment of forfeiture, the attorney representing the state shall dispose of the property in the manner required by Article 59.06 of this code."

Per CCP 59.06, "All forfeited property shall be administered by the attorney representing the state, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the attorney representing the state and law enforcement agencies."

Standard internal control procedures require that management monitor District Court orders for final judgment of active forfeiture cases.

Review

A review of the seizure account balance for fiscal year 2023 revealed:

- Seized funds totaling \$2,056.55 have not been returned to two defendants per the court orders.

Cause/Effect

Noncompliance with District Court orders and a lack of follow-through on efforts to return seized funds from 2017 have resulted in delayed disbursement of funds to owners or interest holders that are legally decreed by final judgment.



Recommendation

Seized Funds

Management should:

- Adhere to CCP Article 59 and the District Court's orders by immediately returning the \$2,056.55 to defendants or authorized parties.
- Escheat funds to the state if defendants or authorized parties cannot be located.

Management Action Plan

- The department was unable to locate the defendant.
- The department will do our due diligence to locate the defendant before next course of action.

Auditor's Response

- None

cc: Darryl Martin, Commissioners Court Administrator