



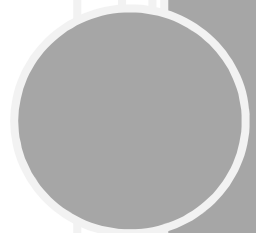
# AUDIT REPORT

DALLAS COUNTY

FY2021 State Forfeiture (Ch. 59)-Clean Air Task Force

Darryl D. Thomas  
Dallas County Auditor

ISSUED: 1/6/2022  
RELEASED: MARCH 2, 2022



# FY2021 State Forfeiture (Ch. 59)-Clean Air Task Force

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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 "FY2021 State Forfeiture (Ch. 59)-Clean Air Task Force" Report. In order to reduce paper usage, a hard copy will not be sent through in house mail except to the auditee.

In 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,

*Darryl D. Thomas*

Darryl D. Thomas  
County Auditor

## EXECUTIVE SUMMARY

FY2021 audit for Clean Air Task Force 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). 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. Internal Control weaknesses which need consideration by management are:

### **Summary of Significant Observations:**

**Forfeited Fund:** A \$220 District Attorney Fee overpayment from FY2018 was not recovered (DC1615271) and a \$606 check from MC3 Metal Recycling was deposited into the wrong fund and account by the Sheriff Department. **Statues: a journal entry was processed, transferring the amount to the Clean Air Task Force.**

### **Repeat observations from Previous Audits:**

- The Sheriff Department did not request a refund from the District Attorney's Office and posted revenue to the wrong accounts when preparing receipts for deposit.
  - The Sheriff's Department did not review District Court orders for final judgment and did not follow up on efforts to return the seized \$2,056.55 to three defendants.
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- The department also did not provide documentation to show whether the property was returned, sold, or destroyed.

**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, 2020, through September 30, 2021.

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

### **Forfeited Funds**

We reviewed the Forfeiture Account balance and transactions (period ending September 30, 2021) and identified:

- A \$220 District Attorney Fee overpayment from FY2018 was not recovered (DC1615271).
- A \$606 check from MC3 Metal Recycling was deposited into the wrong fund and account by the Sheriff Department. A journal entry was processed, transferring the amount to the Clean Air Task Force.

According to Code of Criminal Procedure (CCP) 59.06, proceeds from the sale of items forfeited to a county law enforcement agency shall be deposited into a Special Fund to be used solely for law enforcement purposes. Per the 2019 Dallas County Sheriff's Department General orders and Code of Conduct, the Financial Services Unit (Fiscal) is responsible for assisting personnel in processing claims for reimbursement, approving all requisitions issued for expenditure, and maintaining all department accounts and payments. This occurred because the Sheriff's Department did not request a refund from the District Attorney's Office, and posted revenue to the wrong accounts when preparing receipts for deposit. As a result, forfeited money and proceeds from sales may not be used by the department unless the money is posted to the correct account.

### **Recommendation**

#### **Forfeited Funds**

Management should make the following corrective actions:

- Recover the \$220 overpayment from the District Attorney's Office.
- Review the accuracy of account coding for all revenue proceeds.
- Adhere to CCP Article 59 and the 2019 Dallas County Sheriff's Department General Orders and Code of Conduct.

### **Management Action Plan**

- Recommendations are noted. Requested DA's office for a refund of \$220.00 and they will be sending us a check for the Amount.

### **Auditors Response**

- None

### **Property**

We reviewed the Clean Air Task Force seized and forfeited property and identified:



- Inventory records are not updated to include the status of the property, case information, the seized property's associated costs, sales price, and method used to calculate the fair market value.

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- Three property items (one Sony compact disk deck receiver, one Mimaki printer, and one Mimaki cutter) are missing and cannot be located by the department. The department also did not provide documentation to show whether the property was returned, sold, or destroyed.

The department shall comply with the requirements and direction of District Court's orders. Capital and non-capital property should be tracked according to Uniform Grant Management Standards (UGMS) 2 CFR Section 215.34, and maintained according to Dallas County Code Chapter 90 Article III. Management should record the associated cost of seized property, the case number, date seized, property description, serial number, court order dates, and disposition notes. The property listing should be updated as property is seized or forfeited, returned to recipients, sold, or destroyed. A signed release card along with a copy of the recipient's identification should be maintained when property is returned. When property is sent to auction, the sales price or method used to calculate the fair market value should be recorded.

These instances occurred because the Sheriff's Department did not record the legal status, cost and price of seized and forfeited property in its custody and or document chain of custody when forfeited property changed locations. As a result, assets may be misappropriated or lost when assets are not tracked and identifying information recorded.

### **Recommendation**

#### **Property**

Management should make the following corrective actions:

- Locate forfeited property items (one Sony compact disk deck receiver, one Mimaki printer, and one Mimaki cutter) or provide supporting documentation the property was returned, sold, destroyed etc.
- Adhere to the UGMS 2 CFR Section 215.34, and Dallas County Code Chapter 90 Article III
- Updating 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.



### **Management Action Plan**

- Recommendations are noted. Clean Air Section was closed several years back, and Dept. could not locate Sony compact disk deck receiver, Mimaki Printer, and Mimaki cutter. It's DSO's recommendation to consider these items as obsolete and write off from books/records.

### **Auditors Response**

- None

### **Seized Funds**

We reviewed the Seizure Account balance and transactions (period ending September 30, 2021) and identified:

- \$2,056.55 has not been returned to three defendants since the District Court ordered the Clean Air Task Force to return the money in 2017. Since that time the funds remain in the Seizure Account.

The department shall comply with the District Court's orders and final judgment, consistent with the Code of Criminal Procedure (C.C.P.) Article 59. The Sheriff's Department did not review District Court orders for final judgment and did not follow up on efforts to return the seized \$2,056.55 to three defendants. As a result, the department has delayed justice by not following District Court orders from 2017.

### **Recommendation**

#### **Seized Funds**

- Management should adhere to the CCP Article 59 and the District Court's orders by immediately returning the \$2,056.55 to defendants or authorized parties.

### **Management Action Plan**

- Recommendation is noted; will return the \$2,056.55 to defendants or authorized parties after proper process has been followed.

### **Auditors Response**

- None

cc: Darryl Martin, Commissioners Court Administrator