



AUDIT REPORT

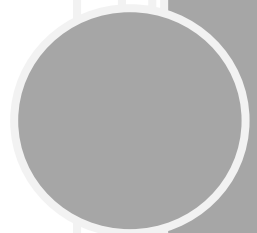
DALLAS COUNTY

STATE FORFEITURE - CLEAN AIR TASK FORCE - FY2022

Darryl D. Thomas
Dallas County Auditor

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State Forfeiture - Clean Air Task Force - FY2022

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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 "**State Forfeiture - Clean Air Task Force - FY2022**" 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

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County Auditor

EXECUTIVE SUMMARY

The FY2022 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 audit 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:

- None identified

Repeat observations from Previous Audits:

- The Sheriff's Department did not review District Court orders for final judgment and did not follow-up on efforts to return seized funds totaling \$2,056.55 to two defendants.
- Three property items (one Sony compact disc deck receiver, one Mimaki printer, and one Mimaki cutter) remain missing from prior audits. 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, 2021 through September 30, 2022.

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

Reviewed the Clean Air Task Force seized and forfeited property and identified:

- 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 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 form 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 the forfeited property items or provide supporting documentation the property was returned, sold, destroyed etc. If cannot locate, brief the Commissioner's 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.
- Adhere to the UGMS 2 CFR Section 215.34, and Dallas County Code Chapter 90 Article III.

Management Action Plan

Auditor's Office recommendation noted and will follow. Department could not locate these items last year and was reported in last year's audit finding. Will brief Commissioners Court to remove these items from record.



Auditors Response

None

Seized Funds

Reviewed the seizure account balance and transactions (period ending September 30, 2022) and identified funds remaining in the seizure account totaling \$2,056.55 have not been returned to two defendants since the District Court ordered the Clean Air Task Force to return the money in 2017. 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 make the following corrective actions:

- 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

Auditor's Office recommendation is noted and will follow. Department tried and was unable to locate the defendants. We will continue to locate and go from there.

Auditors Response

None

cc: Darryl Martin, Commissioners Court Administrator