

POLICE DEPARTMENT
REVIEW OF FEDERAL FORFEITURE PROCEEDS

Office of Public Integrity
Date: June 24, 2015

I. EXECUTIVE SUMMARY

The Office of Public Integrity (OPI) examined accountability of federal forfeiture proceeds, related internal controls, and compliance with federal, City, and Rochester Police Department (RPD) policies. The results of this review indicate adequate internal control procedures over federal forfeiture proceeds and compliance with prescribed policies. We did not note any adverse findings during this review.

During our prior review of this area we noted that, in many cases, RPD personnel were unable to match forfeiture funds that they received to a specific case. Police personnel worked with the US Marshall's Service to rectify this deficiency and the results of this review indicate that they have corrected it.

II. BACKGROUND, OBJECTIVES AND SCOPE

A. Assignment

The Office of Public Integrity routinely reviews cash handling procedures and compliance with prescribed policies within City departments. We performed the last review of this area in 2013.

B. Background

In 1984 the federal government passed the Comprehensive Crime Control Act which allows the government to seize assets in particular types of criminal cases. One of the provisions of this law allows the sharing of federal forfeiture proceeds with cooperating state and local law enforcement agencies. In April 2009, the Office of the Deputy Attorney General issued Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies (hereinafter referred to as the Guide). The Guide outlines the basic principles and requirements of federal forfeitures including minimum monetary thresholds, ways in which an agency can participate, how to apply for an equitable share, how to calculate the sharing percentages, required accounting procedures, required internal controls for assets received, and allowable uses of assets received.

For the period January 1, 2014 through December 31, 2014 the Police Department received 21 federal forfeiture wire transfers totaling \$185,597. Additionally, at December 31, 2014, the total amount in the RPD forfeiture fund was \$1,184,503.

Rochester Police Department Administrative Order A-17 regulates the Department's process for expending forfeiture funds. This Order requires a Forfeiture Expenditure Committee to examine all expenditure requests. The committee consists of the Executive Deputy Chief, the Deputy Chiefs of Operations and Administration, the Commander of the Special Operations Division, the Commanding Officer of Research and Evaluation, the Budget Director, and the Commanding Officer of the Special Investigation Section. The Committee forwards, for approval, a recommended expenditure package to the Chief of Police, Management and Budget and the Mayor prior to submission to City Council.

For the period January 1, 2014 through December 31, 2014, police personnel expended federally forfeited funds totaling \$16,133 for law enforcement purchases. Additionally, during each fiscal year, the Police Department legally utilizes forfeited funds of \$100,000 for police overtime.

C. Objectives and Scope

The objectives of the review were to evaluate cash accountability, internal controls over federally forfeited assets and compliance with federal, City, and departmental policies. The review included evaluation of the internal control procedures applicable to cash collections, and the Police Department's compliance with the Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies, City Cash Handling Policies, and Police Administrative Order A-17 (Forfeiture Expenditures).

OPI examined records of all forfeiture assets received and expended by RPD for the period January 1, 2014 through December 31, 2014. During this period, RPD was involved in 48 seizure cases and forwarded to federal agencies 46 requests for forfeited property totaling \$823,152 in cash and \$7,980 in property.

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future

periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

III. RESULTS OF REVIEW

The results of the review indicate that the Police Department is in compliance with federal and local policy requirements, and that internal controls over forfeiture funds appear adequate. We did not note any adverse findings during this review.