



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#127094

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DATE: 02/20/2018

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE SHERIFF'S OFFICE FISCAL YEAR 2017 CHAPTER 59 ASSET FORFEITURE REPORT BY LAW ENFORCEMENT AGENCY**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report for the Sheriff's Office FY 2017 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency.

BACKGROUND:

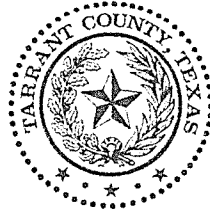
As required by Article 59.06 of the Code of Criminal Procedure, the Auditor's Office reviewed the attached FY 2017 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency prepared by the Tarrant County Sheriff's Office. This report is due to the Office of the Attorney General (OAG) sixty (60) days after the close of the County's fiscal year. The report was electronically signed and submitted to the OAG on time.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY
TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
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January 17, 2018

The Honorable Bill Waybourn, Tarrant County Sheriff
The Honorable District Judges of Tarrant County
The Honorable Tarrant County Commissioners Court

Re: Auditor's Report – FY2017 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency

SUMMARY

As required by Article 59.06 of the Code of Criminal Procedure, the Auditor's Office reviewed the attached *FY2017 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency* prepared by the Tarrant County Sheriff's Office. Based on the information recorded in the Sheriff's forfeiture database, the Criminal District Attorney's database, and our inspection of relevant documents and other supporting materials, we believe that the information contained in the report is reasonably correct. This report is due to the Office of the Attorney General (OAG) 60 days after the close of the County's fiscal year. The report was electronically signed and submitted to the OAG on time.

Although our limited testing did not reveal any missing assets, we observed that procedures used by the Combined Narcotics Enforcement Team (CNET) were not adequate to record, monitor, and report seized and forfeited assets. We discussed this issue with the new CNET commander. Procedures are in the process of being developed and documented.

OBSERVATIONS AND RECOMMENDATIONS

Observation 1 Procedures were not adequate to record, monitor, and report seized and forfeited assets.

Background

Prior to FY2016, certain municipal law enforcement agencies participated in a cooperative agreement with the Criminal District Attorney's (CDA) Office for the detection, apprehension, and prosecution of individuals who engage in certain illegal activities. In December 2015, CNET became part of the Tarrant County Sheriff's Office. The activities of CNET are governed by the *Tarrant County Combined Narcotics Enforcement Team Interlocal Assistance Agreement* and statutes.

Observation

Procedures used by CNET were not adequate to record, monitor, and report seized and forfeited assets. Specifically, documentation provided by CNET for the Chapter 59 report did not track the disposition of seized and forfeited assets. Therefore, we could not determine whether assets were released, auctioned, destroyed, or put into agency use. We also observed the following errors on the Chapter 59 report initially provided for our review:

- Seven firearms were incorrectly reported as *seized*. The firearms were actually *pending* since the judgement was appealed.
- One firearm was not reported as *seized*, but was included on the Notice of Seized Property filed with the court.

These errors were corrected before the report was finalized and remitted to the OAG. These conditions occurred because the commander is new to the Sheriff's Office and procedures have not been fully implemented and documented.

This condition was previously reported in the FY2016 review.

Recommendation

We recommend that Sheriff's staff implement procedures to accurately record, monitor, and dispose of seized and forfeited assets. At a minimum, this system should track the seizure date, forfeiture date, and disposition, along with the description, type, and location of the asset.

BACKGROUND AND METHODOLOGY

The Sheriff's Accounting Office maintains a Criminal Asset State Forfeitures database to record financial and non-financial case activities. Since the Sheriff's Office staff maintains the database, we cannot express an opinion regarding whether *all* transactions were recorded into the database. We performed limited testing to determine the completeness of the database by obtaining a list of CNET, ATTF, and EETF numbers issued upon initiation of a case. On a sample basis, we traced selected CNET and EETF numbers to the database to verify that the case had been properly recorded. There were no ATTF transactions during the review period.

The report focuses on two separate elements of the Sheriff's Office asset forfeiture process: financial activity and case activity.

Financial Activity

Sections I and II of the report include monies under the initial control and custody of the Sheriff's Office. Monies seized by the Sheriff's Office are eventually transferred to the CDA's Office. We reconciled the reported cash transactions recorded in these sections to the Sheriff's database, CDA's database, and the County's general ledger. We reviewed the financial information contained in the database to supporting documents, including the court pleadings.

Section VI of the report includes expenditures made for law enforcement purposes. We reconciled these amounts to the County's general ledger. Additionally, the Auditor's Office reviewed expenditures using Chapter 59 funds to verify that the purchase was for law enforcement purposes.

Case Activity

Sections III, IV and V of the report include non-cash assets, such as motor vehicles, weapons, and other property (TV's, PC's etc.). On a test basis, we 1) traced the non-cash assets recorded in the Sheriff's database to supporting documentation such as court orders and auction sales reports, and 2) performed a physical inspection of the assets under the control of the Sheriff's Office.

CLOSING REMARKS

We appreciate the cooperation of the Sheriff's Office staff to facilitate the timely completion of this review.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachments: *FY2017 Chapter 59 Asset Forfeiture Report by Law Enforcement Agency*
Management's response

Distribution: David McClelland, Chief of Staff
Mike Simonds, Senior Chief Deputy
Monty Gage, Commander - EETF
Calvin Bond, Commander - CNET
Scott Grazer, Accounting Manager

Audit Team: Kim Trussell, Audit Manager
Steve Watson, Senior Internal Auditor
Matt Jones, Senior Internal Auditor

FY 2017
CHAPTER 59 ASSET FORFEITURE REPORT
BY LAW ENFORCEMENT AGENCY

Agency Tarrant County Sheriff's Dept.
Mailing Address 200 Taylor St., Plaza Bldg. 7th Floor
City Fort Worth
State TX
Zip 76196
Phone Number (817) 884-3118
Fiscal Beginning Month October
Fiscal Ending Month September
Fiscal Year 2017

NOTE: PLEASE ROUND ALL FIGURES TO NEAREST WHOLE DOLLAR

I. SEIZED FUNDS PURSUANT TO CHAPTER 59

A) Beginning Balance:	\$0.00
B) Seizures During Reporting Period:	
1) Amount seized and retained in your agency's custody	\$0.00
2) Amount seized and transferred to the District Attorney pending forfeiture	\$158,114.00
3) Total Seizures	\$158,114.00
C) Interest Earned on Seized Funds During Reporting Period:	
D) Amount Returned to Defendants/Respondents:	\$0.00
E) Amount Transferred to Forfeiture Account:	\$0.00
F) Other Reconciliation Items:	\$0.00
Description:	
G) Ending Balance	\$0.00

II. FORFEITED FUNDS AND OTHER COURT AWARDS PURSUANT TO CHAPTER 59

A) Beginning Balance:	\$416,860.00
B) Amount Forfeited to and Received by Reporting Agency (Including Interest) During Reporting Period:	\$192,960.00
C) Interest Earned on Forfeited Funds During Reporting Period:	\$3,211.00
D) Amount Awarded Pursuant to 59.022:	\$0.00
E) Amount Awarded Pursuant to 59.023:	\$0.00
F) Proceeds Received by Your Agency From Sale of Forfeited Property:	\$1,823.00
G) Amount Returned to Crime Victims:	\$0.00
H) Other Reconciliation Items:	\$0.00

Description:

I) Total expenditures of Forfeited Funds During Reporting Period: \$99,637.00

J) Ending Balance: \$515,217.00

III. OTHER PROPERTY

A) MOTOR VEHICLES (Include cars, motorcycles, tractor trailers, etc.)

1) Seized: 11

2) Forfeited to Agency: 10

3) Returned to Defendants/Respondents: 9

4) Put into use by Agency: 0

B) REAL PROPERTY (Count each parcel seized as one item)

1) Seized: 0

2) Forfeited to Agency: 0

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

C) COMPUTERS (Include computer and attached system components, such as printers and monitors, as one item)

1) Seized: 1

2) Forfeited to Agency: 1

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

D) FIREARMS (Include only firearms seized for forfeiture under Chapter 59. Do not include weapons disposed under Chapter 18)

1) Seized: 34

2) Forfeited to Agency: 16

3) Returned to Defendants/Respondents: 0

4) Put into use by Agency: 0

E) Other Property

Description	Seized	Forfeited to Agency	Returned to Defendants/Respondents	Put into use by Agency
Analyzers & Electronics	25	22	2	1
Tools & Dynamometers	0	1	4	1
Collections & Jewelry	5	4	0	0

IV. FORFEITED PROPERTY RECEIVED FROM ANOTHER AGENCY

A) Motor Vehicles: 0

B) Real Property: 0

C) Computers: 0

D) Firearms: 0

E) Other: 0

V. FORFEITED PROPERTY TRANSFERRED OR LOANED TO ANOTHER AGENCY

A) Motor Vehicles:	0
B) Real Property:	0
C) Computers:	0
D) Firearms:	0
E) Other:	0

VI. EXPENDITURES

A) SALARIES

1) Increase of Salary, Expense or Allowance for Employees (Salary Supplements):	\$0.00
2) Salary Budgeted Solely From Forfeited Funds:	\$2,603.00
3) Number of Employees Paid Using Forfeiture Funds:	1
4) TOTAL SALARIES PAID OUT OF CHAPTER 59 FUNDS:	\$2,603.00

B) OVERTIME

1) For Employees Budgeted by Governing Body:	\$0.00
2) For Employees Budgeted Solely out of Forfeiture Funds:	\$0.00
3) Number of Employees Paid Using Forfeiture Funds:	0
4) TOTAL OVERTIME PAID OUT OF CHAPTER 59 FUNDS:	\$0.00

C) EQUIPMENT

1) Vehicles:	\$0.00
2) Computers:	\$0.00
3) Firearms, Protective Body Armor, Personal Equipment:	\$7,265.00
4) Furniture:	\$712.00
5) Software:	\$2,800.00
6) Maintenance Costs:	\$0.00
7) Uniforms:	\$0.00
8) K9 Related Costs:	\$0.00
9) Other:	\$0.00

Description:

10) TOTAL EQUIPMENT PURCHASED WITH CHAPTER 59 FUNDS:	\$10,777.00
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D) SUPPLIES

1) Office Supplies: \$0.00

2) Mobile Phone and Data Account Fees: \$0.00

3) Internet: \$0.00

4) Other: \$0.00

Description:

5) TOTAL SUPPLIES PURCHASED WITH CHAPTER 59 FUNDS: \$0.00

E) Travel

1) In State Travel

a) Transportation: \$1,557.00

b) Meals & Lodging: \$2,299.00

c) Mileage: \$0.00

d) Incidental Expenses: \$163.00

e) Total In State Travel: \$4,019.00

2) Out of State Travel

a) Transportation: \$0.00

b) Meals & Lodging: \$0.00

c) Mileage: \$0.00

d) Incidental Expenses: \$0.00

e) Total Out of State Travel: \$0.00

3) TOTAL TRAVEL PAID OUT OF CHAPTER 59 FUNDS

Total Travel Paid Out of Chapter 59 Funds: \$4,019.00

F) TRAINING

1) Fees (Conferences, Seminars): \$5,850.00

2) Materials (Books, CDs, Videos, etc.): \$0.00

3) Other: \$0.00

Description:

4) TOTAL TRAINING PAID OUT OF CHAPTER 59 FUNDS: \$5,850.00

G) INVESTIGATIVE COSTS

1) Informant Costs:	\$0.00	
2) Buy Money:	\$15,272.00	
3) Lab Expenses:	\$0.00	
4) Other:	\$6,526.00	
Description:	Truck Rental for surveillance camera installation	
5) TOTAL INVESTIGATIVE COSTS PAID OUT OF CHAPTER 59 FUNDS:		\$21,798.00

H) PREVENTION / TREATMENT PROGRAMS / FINANCIAL ASSISTANCE / DONATIONS

1) Total Prevention/Treatment Programs (pursuant to 59.06 (d-3(6), (h), (j)):	\$0.00
2) Total Financial Assistance (pursuant to Articles 59.06 (n) and (o)):	\$0.00
3) Total Donations (pursuant to Articles 59.06 (d-2)):	\$0.00
4) Total Scholarships to Children of Officers Killed in the Line of Duty (pursuant to Article 59.06 (r)):	\$0.00
5) TOTAL PREVENTION/TREATMENT PROGRAMS/FINANCIAL ASSISTANCE/DONATIONS (pursuant to Articles 59.06 (d-3(6)),(h),(j),(n),(o),(d-2),(r)):	\$0.00

I) FACILITY COSTS

1) Building Purchase:	\$0.00	
2) Lease Payments:	\$54,590.00	
3) Remodeling:	\$0.00	
4) Maintenance Costs:	\$0.00	
5) Utilities:	\$0.00	
6) Other:	\$0.00	
Description:		
7) TOTAL FACILITY COSTS PAID OUT OF CHAPTER 59 FUNDS:		\$54,590.00

J) MISCELLANEOUS FEES

1) Court Costs:	\$0.00
2) Filing Fees:	\$0.00
3) Insurance:	\$0.00
4) Witness Fees (including travel and security):	\$0.00
5) Audit Costs and Fees (including audit preparation and	\$0.00

professional fees):

6) Other: \$0.00

Description:

7) TOTAL MISCELLANEOUS FEES PAID OUT OF CHAPTER 59 FUNDS: \$0.00

K) PAID TO STATE TREASURY / GENERAL FUND / HEALTH & HUMAN SERVICES COMMISSION

1) Total paid to State Treasury due to lack of local agreement pursuant to 59.06 (c): \$0.00

2) Total paid to State Treasury due to participating in task force not established in accordance with 59.06 (q)(1): \$0.00

3) Total paid to General Fund pursuant to 59.06 (C-3) (c) (Texas Department of Public Safety only): \$0.00

4) Total forfeiture funds transferred to the Health and Human Services Commission pursuant to 59.06 (p): \$0.00

5) TOTAL PAID TO STATE TREASURY/ GENERAL FUND/ HEALTH & HUMAN SERVICES COMMISSION OUT OF CHAPTER 59 FUNDS: \$0.00

L) TOTAL PAID TO COOPERATING AGENCY(IES) PURSUANT TO LOCAL AGREEMENT

TOTAL PAID TO COOPERATING AGENCY(IES) PURSUANT TO LOCAL AGREEMENT: \$0.00

M) TOTAL OTHER EXPENSES PAID OUT OF CHAPTER 59 FUNDS WHICH ARE NOT ACCOUNTED FOR IN PREVIOUS CATEGORIES

TOTAL OTHER EXPENSES PAID OUT OF CHAPTER 59 FUNDS WHICH ARE NOT ACCOUNTED FOR IN PREVIOUS CATEGORIES: \$0.00

Description:

N) TOTAL EXPENDITURES

TOTAL EXPENDITURES: \$99,637.00

AUDITOR/ TREASURER/ACCOUNTING PROFESSIONAL/PREPARER CERTIFICATION

By pressing "Save" below using your email address and password account access, and pursuant to the terms of service, you certify that you swear or affirm that the Commissioners Court, City Council or Head of Agency(if no governing body) has requested that you conduct the audit required by Article 59.06 of the Code of Criminal Procedure and that upon diligent inspection of all relevant documents and supporting materials, you believe that the information contained in this report is true and correct to the best of your Knowledge.

AUDITOR/ TREASURER/ ACCOUNTING PROFESSIONAL/ PREPARER SIGNATURE: S. Renee Tidwell

TITLE: County Auditor

HEAD OF AGENCY CERTIFICATION

By pressing "Submit" below using your email address and password account access, and pursuant to the terms of service you swear or affirm, under penalty of perjury, that you have accounted for the seizure, forfeiture, receipt, and specific expenditure of all proceeds and property subject to Chapter 59 of the Code of Criminal Procedure, and that upon diligent inspection of all relevant documents and supporting materials, this asset forfeiture report is true and correct and contains all information required by Article 59.06 of the Code of Criminal Procedure. You further swear or affirm that, to the best of your knowledge, all expenditures reported herein were lawful and proper, and made in accordance with Texas law.

HEAD OF AGENCY
SIGNATURE: Bill E. Waybourn

TITLE: Sheriff

DATE: 11/30/2017

Comments

Due to the volume of Chapter 59 seizures and forfeitures, it is not possible for the auditor to inspect ALL relevant documents and supporting materials. Therefore, a sample of Chapter 59 transactions was selected for detailed testing. Based on the review, the auditor believes the amounts presented in the report are reasonable and contain the information required under Chapter 59.06 of the Code of Criminal Procedure.



TARRANT COUNTY
OFFICE OF THE SHERIFF
BILL E. WAYBOURN

Bill Waybourn
Sheriff
O| 817.884.3098
F| 817.212.6987

Plaza Building
200 Taylor Street
Seventh Floor
Fort Worth, Texas 76196

February 14, 2018

S. Rene Tidwell, CPA
County Auditor
100 E. Weatherford Street
Fort Worth, Texas 76196

RE: Response to Auditor's Report – FY2017 Chapter 59 Asset Forfeiture Report

Ms. Tidwell:

I would like to thank you and your audit team for such a thorough review of our Chapter 59 Asset Forfeiture Report and the procedures surrounding that report. We have reviewed your observations and recommendations with the audit team, and with our team here at the Tarrant County Sheriff's Office. We look forward to working with you on developing processes to correct the minor concerns you have made in this report.

Regarding Observation 1 – Procedures are not adequate to record, monitor, and report seized and forfeited assets. We are currently working with our Combined Narcotics Task Force (CNET) Commander to ensure the proper procedures are in place to alleviate any concerns you have in this process. However this report does not differentiate between case evidence records and summary Chapter 59 reporting. We would like to note that this report in no way expresses comments or concerns regarding case evidence records or the processes involved with those records.

Again, thank you and your audit team for the effort and professionalism you have put into this report. I look forward to working with your office in future.

At Your Service

DAVID MCCLELLAND, ON BEHALF OF
BILL E. WAYBOURN, SHERIFF
TARRANT COUNTY, TEXAS

TO PROTECT AND SERVE – ALWAYS PUTTING OTHERS BEFORE SELF