



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER **CO#119327**

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DATE: **01/20/2015**

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE REVIEW OF THE FISCAL YEAR 2014 CHAPTER 59 ASSET FORFEITURE REPORT BY ATTORNEY REPRESENTING THE STATE**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report for the review of the FY 2014 Chapter 59 Asset Forfeiture Report by Attorney Representing the State.

BACKGROUND:

As required by Article 59.06 of the Code of Criminal Procedure, the Auditor's Office reviewed the attached FY 2014 Chapter 59 Asset Forfeiture Report by Attorney Representing the State prepared by the Tarrant County Criminal District Attorney's Office. This report includes activity that occurred during September 1, 2013 through August 31, 2014, the Office of the Attorney General's (OAG) fiscal year. The Tarrant County Criminal District Attorney's Office requested a fifteen (15) day extension; therefore, the report was due to the OAG on November 15, 2014.

The Tarrant County Criminal District Attorney's Office provided the first version of the report to the Auditor's Office on October 22, 2014. After several changes were made to the report, the final version of the report was remitted to the Auditor's Office on December 11, 2014. The Auditor's Office believes that the information contained in the report is true and correct based on a review of relevant documents and supporting materials. The County Auditor signed and provided the report to the Tarrant County Criminal District Attorney's Office on December 15, 2014.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY

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100 E. WEATHERFORD
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December 18, 2014

The Honorable Joe Shannon Jr., Tarrant County Criminal District Attorney
The Honorable District Judges of Tarrant County
The Honorable Tarrant County Commissioners Court

Re: Auditor's Report – Review of the FY2014 Chapter 59 Asset Forfeiture Report by Attorney
Representing the State

SUMMARY

As required by Article 59.06 of the Code of Criminal Procedure, we reviewed the attached *FY2014 Chapter 59 Asset Forfeiture Report by Attorney Representing the State* prepared by the Tarrant County District Attorney's (DA) Office. This report includes activity that occurred during September 1, 2013 through August 31, 2014, the Office of the Attorney General's (OAG) fiscal year. The DA's Office requested a 15-day extension; therefore, the report was due to the OAG on November 15.

The DA's Office provided the first version of the report to the Auditor's Office on October 22, 2014. After several changes were made to the report, the final version of the report was remitted to the Auditor's Office on December 11, 2014. We believe that the information contained in the report is true and correct based on our review of relevant documents and supporting materials. The County Auditor signed and provided the report to the DA's Office on December 15, 2014 to remit to the OAG.

During our review, we found two issues that require management's attention. First, dispositions of final judgments were not processed in a timely manner. Specifically:

1. The DA's Time Matters database contained 45 "closed" cases with amounts owed to individuals or agencies where final disposition dates averaged 688 days old. According to the County's general ledger, over \$106,000 is owed to others for these cases.
2. Upon receipt of a Check Request from the DA's Office, the County Auditor's Office processed 92 payments to individuals or other agencies as a result of final disposition. Of these payments, 56 payments were made more than 100 days after the final disposition date. One of these payments was made 473 days after final disposition.

Second, the DA's Office did not reconcile the two databases, the New Case Log and Time Matters. Furthermore, the two databases did not reconcile to the County's general ledger. This condition was reported last year. We specifically observed the following:

1. The New Case Log contained gaps and duplicate manual receipt numbers.
2. There were two cases where the agency recorded in Time Matters was not the agency recorded in the general ledger to receive the seized funds.
3. There was one case where the seized amount recorded in Time Matters was not the amount recorded in the general ledger.

We reconciled the databases to the general ledger, and noted that the items described above were a result of recording errors in the DA's databases.

Recommendations:

We recommend that the DA's Office provide a check request to the Auditor's Office for disposition of final judgments in a timely manner.

Furthermore, procedures should be implemented to ensure that seized assets, including property and cash, are recorded accurately into both the New Case Log and Time Matters databases. Staff should also reconcile the two databases to the County's general ledger on a periodic basis, particularly at year end. Any differences should be researched for resolution.

BACKGROUND AND METHODOLOGY

The DA's Office maintains Time Matters, a case management database, and the New Case Log to record various financial and non-financial case activities. Since DA staff maintains the database and the New Case Log, we cannot express an opinion regarding whether *all* transactions were recorded. Furthermore, the DA's Office does not necessarily have custody and control of all cash and non-cash assets. Rather, other agencies may retain control of certain seized assets. The DA's Office prepares manual receipts to record the receipt of case documents and assets, both cash and non-cash.

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

Financial Activity

Sections I and II of the report include monies under the control and custody of the DA's Office. The financial transactions included in the report were obtained from the County's general ledger. We reviewed selected cash transactions recorded in the database to supporting documents such as court orders, seizure reports, and manual receipts. We also traced cash transactions under the control of the DA's Office to the County's general ledger.

Section VI of the report includes expenditures made for law enforcement purposes. We reconciled these amounts to the County's general ledger. Throughout the fiscal year, 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 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 DA's Office.

CLOSING REMARKS

If you have any questions regarding the contents of this report, please do not hesitate to contact the Auditor's Office.

Very truly,



County Auditor

Attachment: *FY2014 Chapter 59 Asset Forfeiture Report by Attorney Representing the State*

Distribution: Sharen Wilson, Incoming Criminal District Attorney
Helen Giese, Business Manager, District Attorney's Office

Audit Team: Laura Weist, Manager, Financial Services
Kim Trussell, Audit Manager
Dan Thompson, Senior Auditor
Tim Sears, Senior Auditor

FY 2014
CHAPTER 59 ASSET FORFEITURE REPORT
BY ATTORNEY REPRESENTING THE STATE

Agency Name:	<u>Tarrant County District Attorney</u> <u>Sponsoring Tarrant County</u> <u>Narcotics Unit</u>	Reporting Period: (local fiscal year)	<u>9/1/2013 to 8/31/2014</u>
Agency Mailing Address:	<u>Joe Shannon, Jr.</u> <u>401 W. Belknap</u> <u>Fort Worth, TX 76196</u>	example:	<u>09/01/13 to 08/31/14</u>
Phone Number:	<u>817-884-1694</u>		
County:	<u>Tarrant</u>		
Email Address:	<u>hhgiese@tarrantcountytexas.gov</u>	This should be a permanent agency email address	

NOTE: PLEASE ROUND ALL DOLLAR FIGURES TO NEAREST WHOLE DOLLAR.

I. SEIZED FUNDS PURSUANT TO CHAPTER 59

A) Beginning Balance:	\$ 3,283,576
B) Seizures During Reporting Period:	
1) Amount seized by employees of your agency:	\$ 0
2) Amount seized by other agencies:	\$ 1,558,837
C) Forfeiture Petitions Filed for All Agencies You Represent:	\$ 1,531,726
D) Forfeitures Pending For All Agencies You Represent:	\$ 2,126,176
E) Interest Earned on Seized Funds During Reporting Period:	\$ 8,254
F) Amount Returned to Defendants/Respondents:	\$ 243,773
G) Amount Transferred to Forfeiture Account:	\$ 1,438,309
H) Other Reconciliation Items:	\$
I) Ending Balance: Instructions: Add lines A, B(1), B(2) E and H, subtract lines F and G, put total in line I.	\$ 3,168,585

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

A) Beginning Balance:	\$ 0
B) Amount Forfeited For All Agencies You Represent and Covered by Local Agreement:	
1) Amount Forfeited and Transferred to all Agencies Covered by Local Agreement:	\$ 684,564
2) Amount forfeited and Received by Your Agency:	\$ 796,360
C) Interest Earned on Forfeited Funds During Reporting Period :	\$ 663

D) Amount Awarded For All Agencies You Represent Pursuant to 59.022 (f)(1):	
1) Amount Awarded and Transferred to all Agencies Pursuant to 59.022 (f)(1):	\$
2) Amount Awarded and Received by Your Agency Pursuant to 59.022 (f)(1):	\$
E) Amount Awarded For All Agencies You Represent Pursuant to 59.023(a):	
1) Amount Awarded and Transferred to all Agencies Pursuant to 59.023(a):	\$
2) Amount Awarded and Received by Your Agency Pursuant to 59.023(a):	\$
F) Proceeds Received by Your Agency From Sale of Forfeited Property:	\$ 63,799
G) Amount Returned to Crime Victims:	\$
H) Other Reconciliation Items:	\$
I) Total Expenditures of Forfeited Funds During Reporting Period:	\$ 860,822
J) Ending Balance: Instructions: Add lines A, B(2), C, D(2), E(2), F, and H, subtract lines G and I, place total in line J.	\$ 0

III. OTHER PROPERTY

Please Note: these should be a number, not a currency amount. For example: 4 pending, 3 seized, 12 new petitions, etc....	MOTOR VEHICLES (Include cars, motorcycles, tractor trailers, etc.)	REAL PROPERTY (Count each parcel seized as one item)	COMPUTERS Include computer and attached system components, such as printers and monitors as one item)	FIREARMS (Include only firearms seized for forfeiture under Chpt. 59. Do not include weapons disposed of under Chpt. 18)	OTHER (Include description) Electronics, jewelry, equipment, misc and scales
Pending for all agencies at beginning of reporting period:	235	4	78	161	527
Seized by your agency during reporting period:	0	0	0	0	0
New petitions filed for all agencies during reporting period:	167	0	35	74	439
Forfeited to your agency during reporting period:	0	0	0	0	0
Put into service by your agency during reporting period: TV	0	0	0	0	0
Pending for all agencies at end of reporting period:	207	4	57	140	425

IV. FORFEITED PROPERTY RECEIVED FROM ANOTHER AGENCY

A) Motor Vehicles:	#
B) Real Property:	#
C) Computers:	#

D)	Firearms:	#
E)	Other:	#
V. FORFEITED PROPERTY TRANSFERRED OR LOANED TO ANOTHER AGENCY		
A)	Motor Vehicles:	#
B)	Real Property:	#
C)	Computers:	#
D)	Firearms:	#
E)	Other:	#
VI. EXPENDITURES		
A) SALARIES		
1.	Increase of Salary, Expense, or Allowance for Employees (Salary Supplements):	\$
2.	Salary Budgeted Solely From Forfeited Funds:	\$ 860,822
3.	Number of Employees Paid Using Forfeiture Funds:	# 15 FTE & 2PT
4.	TOTAL SALARIES PAID OUT OF CHAPTER 59 FUNDS:	\$860,822
B) OVERTIME		
1.	For Employees Budgeted by Governing Body:	\$
2.	For Employees Budgeted Solely out of Forfeiture Funds:	\$
3.	Number of Employees Paid Using Forfeiture Funds:	#
4.	TOTAL OVERTIME PAID OUT OF CHAPTER 59 FUNDS:	\$
C) EQUIPMENT		
1.	Vehicles:	\$
2.	Computers:	\$
3.	Firearms, Protective Body Armor, Personal Equipment:	\$
4.	Furniture:	\$
5.	Software:	\$
6.	Maintenance Costs:	\$
7.	Uniforms:	\$
8.	K9 Related Costs:	\$
9.	Visual Aid Equipment for Litigation:	\$
10.	Other (Provide Detail on Additional Sheet):	\$
11.	TOTAL EQUIPMENT PURCHASED WITH CHAPTER 59 FUNDS:	\$
D) SUPPLIES		
1.	Office Supplies:	\$

	2. Mobile Phone and Data Account Fees:	\$
	3. Internet:	\$
	4. Legal Library Supplies and Access Fees:	\$
	5. Other (Provide Detail on Additional Sheet) :	\$
	6. TOTAL SUPPLIES PURCHASED WITH CHAPTER 59 FUNDS:	\$
E)	TRAVEL	
	1. In State Travel	
	a) Transportation:	\$
	b) Meals & Lodging:	\$
	c) Mileage:	\$
	d) Incidental Expenses:	\$
	e) Total In State Travel	\$
	2. Out of State Travel	
	a) Transportation:	\$
	b) Meals & Lodging:	\$
	c) Mileage:	\$
	d) Incidental Expenses:	\$
	e) Total Out of State Travel	\$
	3. TOTAL TRAVEL PAID OUT OF CHAPTER 59 FUNDS:	\$
F)	TRAINING	
	1. Fees (Conferences, Seminars):	\$
	2. Materials (Books, CDs, Videos, etc.):	\$
	3. Other (Provide Detail on Additional Sheet):	\$
	4. TOTAL TRAINING PAID OUT OF CHAPTER 59 FUNDS	\$
G)	INVESTIGATIVE COSTS	
	1. Informant Costs:	\$
	2. Buy Money:	\$
	3. Lab Expenses:	\$
	4. Other (Provide Detail on Additional Sheet) :	\$
	5. TOTAL INVESTIGATIVE COSTS PAID OUT OF CHAPTER 59 FUNDS:	\$
H)	PREVENTION/TREATMENT PROGRAMS / FINANCIAL ASSISTANCE / DONATIONS (pursuant to Articles 59.06 (d-3(6)), (h), (j), (n), (o) (d-2)):	
	1. Total Prevention/Treatment Programs (pursuant to 59.06(d-3(6)), (h), (j)):	\$
	2. Total Financial Assistance (pursuant to Articles 59.06 (n) and (o)):	\$

3.	Total Donations (pursuant to Articles 59.06 (d-2)):	\$
4.	TOTAL PREVENTION/TREATMENT PROGRAMS / FINANCIAL ASSISTANCE / DONATIONS (pursuant to Articles 59.06 (d-3(6)), (h), (j), (n), (o) (d-2)):	\$
I)	FACILITY COSTS	
1.	Building Purchase:	\$
2.	Lease Payments:	\$
3.	Remodeling:	\$
4.	Maintenance Costs:	\$
5.	Utilities:	\$
6.	Other (Provide Detail on Additional Sheet):	\$
7.	TOTAL FACILITY COSTS PAID OUT OF CHAPTER 59 FUNDS:	\$
J)	MISCELLANEOUS FEES	
1.	Court Costs:	\$
2.	Filing Fees:	\$
3.	Insurance:	\$
4.	Witness Fees (including travel and security):	\$
5.	Audit Costs and Fees (including audit preparation and professional fees):	\$
6.	State Bar Dues and Legal Association Dues:	\$
7.	Legal Library Supplies and Access Fees:	\$
8.	Other (Provide Detail on Additional Sheet):	\$
9.	TOTAL MISCELLANEOUS FEES PAID OUT OF CHAPTER 59 FUNDS:	\$
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 (a):	\$
2.	Total paid to State Treasury due to participating in task force not established in accordance with 59.06 (q)(1):	\$
3.	Total paid to General Fund pursuant to 59.06 (C-3) (c) (Texas Department of Public Safety only):	\$
4.)	Total forfeiture funds transferred to the Health and Human Services Commission pursuant to 59.06 (p):	\$
5)	TOTAL PAID TO STATE TREASURY / GENERAL FUND / HEALTH & HUMAN SERVICES COMMISSION OUT OF CHAPTER 59 FUNDS:	\$
L)	TOTAL PAID TO COOPERATING AGENCY(IES) PURSUANT TO LOCAL AGREEMENT:	\$
M)	TOTAL OTHER EXPENSES PAID OUT OF CHAPTER 59 FUNDS WHICH ARE NOT ACCOUNTED FOR IN PREVIOUS CATEGORIES (provide detailed descriptions on additional sheet(s) and attach to this report):	\$

N) TOTAL EXPENDITURES:

\$ 860,822

NOTE: BOTH CERTIFICATIONS MUST BE COMPLETED

**AUDITOR / TREASURER / ACCOUNTING PROFESSIONAL / RESPONSIBLE OFFICIAL
CERTIFICATION**

I swear or affirm that the Commissioners Court, City Council or Agency Head (if no governing body) has requested that I 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, I believe that the information contained in this report is true and correct.

AUDITOR, TREASURER,
ACCOUNTING PROFESSIONAL or
RESPONSIBLE OFFICIAL (Printed
Name):

Renee Tidwell

TITLE:

SIGNATURE:

DATE:

12/15/14

AGENCY HEAD CERTIFICATION

I swear or affirm, under penalty of perjury, that I 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. I further swear or affirm that all expenditures reported herein were lawful and proper, and made in accordance with Texas law.

ATTORNEY REPRESENTING THE
STATE (Elected Official) (Printed
Name):

Joe Shannon, Jr.

SIGNATURE:

DATE:

12/11/2014

RETURN COMPLETED FORM TO:

Office of the Attorney General
Criminal Prosecutions Division
P.O. Box 12548
Austin, TX 78711-2548
Attn: Kent Richardson
(512)463-1591
Chapter59AuditReport@texasattorneygeneral.gov

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THE SIGNED, ORIGINAL DOCUMENT TO OUR OFFICE AT THE**

ADDRESS ABOVE.