



Office of the Inspector General
U.S. Department of Justice



Audit of the City of Sunrise Police Department's Equitable Sharing Program Activities Sunrise, Florida

AUDIT OF THE CITY OF SUNRISE POLICE DEPARTMENT'S EQUITABLE SHARING PROGRAM ACTIVITIES SUNRISE, FLORIDA

EXECUTIVE SUMMARY

The Department of Justice (DOJ) asset forfeiture program seeks to deter crime by depriving criminals of the profits and proceeds from illegal activities while enhancing the cooperation between federal, state, and local law enforcement agencies. State and local law enforcement agencies that participate in the seizure of property and funds may receive a portion of the proceeds or an equitable share of the forfeiture to use for law enforcement purposes. The Criminal Division's Asset Forfeiture and Money Laundering Section oversees the DOJ asset forfeiture program.

The Department of Justice, Office of the Inspector General, Audit Division conducted an audit of the Sunrise Police Department's participation in the DOJ asset forfeiture program during the agency's fiscal years (FY) 2008 to 2014.¹ During the audit period, the Police Department received equitable shares consisting of \$5,551,343 in cash and proceeds and \$71,778 in property. We found weaknesses with the Police Department's reconciliation of asset forfeiture funds. We also found that the Police Department paid \$374,257 to a private law firm for civil forfeiture litigation services that were unallowable. Additionally, we were unable to determine if the Police Department complied with its own procedures regarding payments to confidential informants. However, we did not question these payments because the payments were adequately supported by documentation. We recommend that the Criminal Division ensure the City of Sunrise Police Department:

- consistently follows its written procedures for recording equitable sharing receipts, and
- remedy \$374,257 in unallowable costs paid for civil forfeiture litigation services.

¹ The City of Sunrise fiscal year is from October 1 to September 30. Our audit period for FY 2014 ended March 12, 2014.

**AUDIT OF THE CITY OF SUNRISE POLICE DEPARTMENT'S
EQUITABLE SHARING PROGRAM ACTIVITIES
SUNRISE, FLORIDA**

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INTRODUCTION

The Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division audited the tracking and use of DOJ equitable sharing funds by the Sunrise Police Department. The audit covered the Police Department's fiscal years (FY) 2008 to 2014.¹ During this period, the Police Department received \$5,551,343 in cash and proceeds and \$71,778 in property as a participant in the DOJ equitable sharing program.

DOJ Equitable Sharing Program

Because asset forfeiture deprives criminals of the profits and proceeds derived from their illegal activities, it is considered by the DOJ to be one of the most powerful tools available to law enforcement agencies. A key element of the DOJ's asset forfeiture initiative is the equitable sharing program where the Department and its components share a portion of federally forfeited cash, property, and proceeds with state and local law enforcement agencies.²

State and local law enforcement agencies receive equitable sharing funds by participating in joint investigations with DOJ agencies on investigations that lead to the seizure and forfeiture of property or by requesting a DOJ agency adopt the seizure and proceed with federal forfeiture. Once an investigation is completed and the seized assets are forfeited, the assisting state and local law enforcement agencies can request a share of the forfeited assets or a percentage of the proceeds derived from the sale of forfeited assets. Generally, the degree of a state or local agency's direct participation in an investigation determines the amount or percentage of funds shared with that agency.

Three central DOJ components work together to administer the equitable sharing program: (1) the U.S. Marshals Service (USMS), (2) the Justice Management Division, and (3) the Criminal Division's Asset Forfeiture and Money Laundering Section (AFMLS). These three components are responsible for issuing policy statements, implementing governing legislation, and monitoring the use of DOJ equitable sharing funds. The USMS is responsible for transferring asset forfeiture funds from the DOJ to the receiving state or local agency. The Justice Management Division manages the Consolidated Asset Tracking System, a database

¹ The City of Sunrise fiscal year is from October 1 through September 30. Our audit period for fiscal year 2014 ended March 12, 2014.

² Federal asset forfeiture programs are also administered by the U.S. Department of the Treasury and the U.S. Department of Homeland Security.

used to track federally seized assets throughout the forfeiture life-cycle. Finally, the AFMLS tracks membership of state and local participants, updates the equitable sharing program rules and policies, and monitors the allocation and use of equitable shared funds.

Before requesting a share of the seized assets, a state or local law enforcement agency must first become a member of the DOJ equitable sharing program. To participate in the program, agencies sign and submit an equitable sharing agreement and certification form to the Department. The agreement must be renewed annually and in it, officials of participating agencies certify that they will use equitable sharing funds for law enforcement purposes.

City of Sunrise Police Department

The City of Sunrise is located in southeastern Florida in Broward County. According to the 2010 U.S. Census, the city has a population of 84,439. The Sunrise Police Department became a member of the DOJ asset forfeiture program in FY 1995. It is also a member of the Metro Broward Drug Task Force where its officers participate in investigations. As of September 2013, the Police Department had a workforce of 176 police officers and 82 civilians.

OIG Audit Approach

We tested compliance with what we considered to be the most important conditions of the DOJ equitable sharing program. Unless otherwise stated, we applied the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* (Equitable Sharing Guide), issued by the AFMLS in April 2009, as our primary criteria. The Equitable Sharing Guide provides procedures for submitting sharing requests and discusses the proper use and accounting for equitable sharing assets. To conduct the audit, we tested the Sunrise Police Department's compliance with:

- **Equitable Sharing Agreement and Certification Forms** to determine if these documents were complete and accurate,
- **accounting for equitable sharing receipts** to determine whether standard accounting procedures were used to track equitable sharing assets, and
- **use of equitable sharing funds** to determine if equitable sharing cash was used for law enforcement purposes.

See Appendix 1 for more information on our objective, scope and methodology.

FINDINGS AND RECOMMENDATIONS

We found that 14 of 83 equitable sharing receipts recorded on the Consolidated Asset Tracking System report were either not recorded on the Police Department's receipts log or incorrectly recorded. We also were unable to determine if the Police Department complied with its own procedures regarding payments to confidential informants. Additionally, we found that the Police Department paid \$374,257 to a Ft. Lauderdale-area law firm for unallowable civil forfeiture litigation services.

Equitable Sharing Agreement and Certification Forms

The Equitable Sharing Guide requires participating law enforcement agencies to submit an Equitable Sharing Agreement and Certification form within 60 days after the end of the agency's fiscal year. The agreement and certification form must be signed by the head of the law enforcement agency and a designated official of the local governing body. By signing and submitting the agreement and certification form, the signatories agree to follow statutes and guidelines that regulate the equitable sharing program.

We tested the Police Department's compliance with agreement and certification form requirements to determine if reports were accurate and timely completed and submitted. We found that the latest submitted report for FY 2013 was complete, timely, and signed by appropriate officials.

To verify the total amount of equitable sharing funds received during FY 2013, we compared the receipts listed on the Police Department's agreement and certification form to the total amount disbursed according to AFMLS reported distributions for the same time period. We found that the agreement and certification form matched the AFMLS report.

Accounting for Equitable Sharing Receipts

We selected and tested the five highest dollar receipts from the Consolidated Asset Tracking System (CATS) report by tracing the receipts to the Police Department's receipts log and bank statements. We found that one receipt for \$329,884, shown in Table 1, was not recorded on the Police Department's receipts log. A police official told us that the paperwork from the previous command did not include this receipt, thus it was not placed in the spreadsheet for tracking. We found all five receipts were properly deposited into a bank account and segregated from other city funds.

We judgmentally selected an additional 78 receipts from the Consolidated Asset Tracking System report to test. As shown in Table 1, and in addition to the

one receipt discussed in the preceding paragraph, 13 additional receipts were either not recorded in the log or incorrectly recorded. The remaining receipts matched the Police Department's receipts log.

Table 1: Receipts from CATS Report Not Recorded or Incorrectly Recorded in Police Department Receipts Log

Count	Date Disbursed	Amount Disbursed	Date Received	Amount Received	Difference
1	11/04/2008	\$329,884	Not recorded	Not recorded	\$329,884
2	04/03/2012	77,487	Not recorded	Not recorded	77,487
3	04/30/2012	71,616	Not recorded	Not recorded	71,616
4	11/05/2012	9,677	Not recorded	Not recorded	9,677
5	02/12/2013	99	Not recorded	Not recorded	99
6	02/15/2013	67,042	02/27/2013	67,980	938
7	03/18/2013	44	03/28/2013	4,448	4,404
8	06/04/2013	112	Not recorded	Not recorded	112
9	06/05/2013	16,848	Not recorded	Not recorded	16,848
10	07/12/2013	143	07/19/2013	112	31
11	08/14/2013	1,741	09/30/2013	Incorrectly recorded	1,741
12	08/04/2013	415	Not recorded	Not recorded	415
13	10/03/2013	133,388	Not recorded	Not recorded	133,388
14	10/30/2013	20,419	Not recorded	Not recorded	20,419

Sources: USMS's CATS report and SPD's Receipts Log

A police official corrected the receipts log for the 14 inaccuracies we identified and provided us with a corrected version of the log, which we verified. The police official told us one of the inaccuracies occurred because the proper paperwork had not been forwarded to him, and the remaining inaccuracies were the result of mistakes.

Although the Police Department had written procedures that required the recording of equitable sharing receipts, these procedures were not consistently followed by responsible officials. We reviewed the Police Department's written procedures for managing equitable sharing cash receipts and found that the procedures would be adequate if followed. Not following established internal control standards could result in a loss, misuse, or abuse of equitable sharing funds. We recommend that the Criminal Division ensure the Police Department consistently follows its written procedures for recording equitable sharing receipts.

We identified two tangible property receipts on the Consolidated Asset Tracking System report and found the same property recorded in the Police Department's inventory records. We determined both property items were being used for allowable law enforcement purposes.

Use of Equitable Sharing Funds

The Equitable Sharing Guide requires any forfeited tangible property transferred to a state or local agency for official use be used for law enforcement purposes only. Further, vehicles and other tangible property transferred for official law enforcement use must be used for at least 2 years. Table 2 summarizes some of the allowable and unallowable uses of equitable sharing funds as outlined in the Equitable Sharing Guide.

Table 2: Summary of Allowable and Unallowable Uses of Equitable Shared Funds

Allowable Uses
Law enforcement investigations including payments for overtime, to confidential informants, and to purchase evidence
Law enforcement training
Law enforcement and detention facilities to include the purchase, lease, construction, expansion, improvement, or operation
Law enforcement equipment to include the purchase, lease, maintenance, or operation
Law enforcement travel and transportation
Law enforcement awards and memorials
Drug and gang education and awareness programs
Matching contributions for federal grant programs
A law enforcement agency's share of the costs associated with supporting multi-agency items or facilities
Asset accounting and tracking to include the costs associated with accounting, auditing, and tracking of expenditures
Language assistance services
Cash transfers to other law enforcement agencies
Support of community-based programs (cash transfers not permitted)
Unallowable Uses
Salaries and benefits of current, permanent law enforcement personnel, except in limited circumstances
Use of forfeited property by non-law enforcement personnel
Payment of education-related costs such as for scholarships, financial aid, or non-law enforcement classes
Uses contrary to the laws of the state or local jurisdiction
Non-official government use of shared assets such as for political or personal purposes
Purchase of food and beverages except in limited circumstances
Extravagant expenditures such as tickets to social events, hospitality suites at conferences, or meals outside of the per diem

Source: Equitable Sharing Guideline, April 2009

From October 1, 2007, through March 12, 2014, the Police Department received \$5,551,343 in equitable shares that it spent on overtime and related fringe benefits, confidential informants, legal expenses, and other law enforcement expenses that included vehicle rentals, automotive fuel and oil, and office space leases. We judgmentally selected a sample of these payments to determine whether the costs were allowable and adequately supported under equitable sharing guidelines.

Overtime and Related Fringe Benefits

We judgmentally selected and tested \$996,135 in overtime and \$200,726 in related fringe benefit costs the Police Department paid to 74 employees. We compared each payment to timesheets and other documentation and found that all overtime and fringe benefit costs were adequately supported.

Confidential Informants

We judgmentally selected and tested 20 payments to confidential informants totaling \$466,035 by comparing each payment to a check copy and other supporting documents. We found each payment was adequately supported. We also tested the Equitable Sharing Guideline requirement that state and local law enforcement agencies implement accounting procedures to track confidential informant payments. A Police Captain provided us the Police Department's written procedures pertaining to entering agreements and making payments to confidential informants for investigative assistance. According to these procedures, confidential informant payments are based on the:

- nature and complexity of the investigation,
- impact of the investigation on the community,
- past reliability and work record of the informant, and
- informant's willingness to testify in court.

The Captain stated that police officials did not talk about how much the informant would be paid for their assistance prior to the conclusion of the investigation. The Captain stated that payment is only discussed after the case has concluded. At that time, the Case Detective, Supervisor, and Captain would meet and agree on a payment amount based on the Police Department's written procedures. We asked the Police Department for a record of this meeting to determine the process by which the procedures were applied in cases where payments were made from equitable sharing funds. However, the Captain told us that this process was not documented because the record would be subject to State of Florida public records laws, and the Police Department did not want investigative documents released for public consumption. Without documentation of this

process, we are unable to determine whether the Police Department complied with its own procedures regarding payments to confidential informants. However, we do not question whether the payments were made and do not question the related costs, because they were adequately supported by check copies and other documentation.

Other Law Enforcement Expenses

We judgmentally selected and tested 10 expenses totaling \$1,135,579 categorized by the Police Department as other law enforcement expenses on its annual agreement and certification forms by comparing the expenses to invoices and other supporting documents.⁴ We found that the expenses were adequately supported.

Legal Consulting Services

From October 1, 2007, to March 12, 2014, the Police Department paid \$374,257 from equitable shared funds to a private Ft. Lauderdale area law firm to pursue, on behalf of the city, civil forfeiture proceedings against the owners or persons claiming an interest in cash and other assets confiscated by the Police Department.⁵ These expenses included in-person court appearances, research, drafting correspondence, trial preparation, reviewing documents, and negotiating settlements. The payments made to the law firm for each fiscal year are shown in Table 3.

Table 3: Legal Consulting Services Paid From Equitable Sharing Funds from FY 2008 to FY 2014

FY	Payments	Amount
2008	19	\$13,981
2009	124	99,532
2010	37	207,782
2011	4	51,152
2012	0	0
2013	0	0
2014	2	1,810
Total	186	\$374,257

Source: OIG analysis of City of Sunrise accounting records

We interviewed the Sunrise City Attorney to determine why these civil forfeiture services were not performed by staff within the City Attorney's Office.

⁴ These expenses consisted of payments for rental cars, automotive fuel and oil, and office lease space.

⁵ Our testing of FY 2014 was from October 1, 2013, to March 12, 2014.

The City Attorney told us that the law firm was hired in October 2007, by request of the former City Attorney and approval of the City Commission. The City Attorney said that she believed the city hired the law firm because the City Attorney's Office did not have sufficient staff to work the forfeiture cases. The City Attorney said she believed these cases were handled within the City Attorney's Office prior to October 2007. As of July 2014, the law firm had billed the city for legal services for 194 forfeiture matters.⁶

The City Attorney told us the law firm specialized in city and county government litigation and offered an advantageous billing rate. We requested the city's contract with the law firm and any written documentation of the procurement process used by the city to select the law firm. Neither the City's Attorney's Office nor the police, finance, and purchasing departments could provide the information.

The Equitable Sharing Guideline prohibits the use of shared funds for the salary and benefits of personnel. The guideline also provides that the principle objective of forfeiture is law enforcement and that potential revenue must not be allowed to jeopardize the effective investigation and prosecution of criminal offenses. Further, the National Code of Professional Conduct for Asset Forfeiture provides that no prosecutor's or sworn law enforcement officer's employment or salary shall be made to depend upon the level of seizures or forfeitures he or she achieves. The purpose of the salary prohibitions is to protect the integrity of the equitable sharing program so that the prospect of receiving equitable sharing money does not influence, or appear to influence, law enforcement decisions. The use of equitable sharing funds to pay for legal consulting services has the appearance of an attempt to circumvent the salary and benefits restriction of the program, which would have prohibited the direct payment of the salaries and benefits of city attorneys working on these forfeiture matters.

We are also concerned about the lack of records documenting the selection of the law firm or procurement of its civil forfeiture services by the city. The Equitable Sharing Guideline requires state and local law enforcement agencies to implement standard accounting procedures and internal controls to track equitable shared funds. As part of this requirement, recipients are required to use purchase orders or contracts to formally disburse equitable shared funds. Recipients are also required to create and retain records pertaining to their participation in the equitable sharing program. Without documentation of the selection and procurement process used by the city, there is a greater risk of misuse or abuse of equitable sharing funds.

Additionally, we sought to determine whether legal consulting services such as civil forfeiture litigation was a permissible use of equitable sharing funds.

⁶ We requested the total number of forfeiture cases the law firm completed for the city. In response, the City Attorney provided us a list of forfeiture matters organized by the owner or person claiming an interest in the property being subject to forfeiture.

Because the Equitable Sharing Guideline does not fully address this issue, we consulted with Asset Forfeiture and Money Laundering Section officials to determine whether the city's use of equitable sharing funds was permissible in this manner. An AFMLS official told us that the use of funds for consulting services is generally permissible if the expenditure was unique in nature, indispensable, and for a short duration.

In our judgment, these expenditures do not satisfy the standard as explained to us by the AFMLS official. We do not consider these expenditures unique in nature or indispensable because the City Attorney's Office had staff that possessed the necessary expertise to perform these legal services. Also, the City Attorney did not explain why at least some of the civil forfeiture matters could not have been handled internally, as was the office practice prior to October 2007. The short duration requirement was not satisfied as the Police Department paid for these expenses over a 4-year period from FY 2008 to 2011.

After our exit conference, the Police Department provided a written response, which stated the use of civil forfeiture is an extremely effective way of targeting and crippling drug trafficking organizations in South Florida. The Police Department also stated the use of qualified civil forfeiture attorneys was extremely vital, and the private law firm selected was one of a select few law firms within the area that had attorneys on staff that specialized in civil forfeiture litigation. The Police Department added that it would have been unable to achieve its mission if it randomly chose a law firm without qualifications or expertise. Lastly, the Police Department stated that the City of Sunrise had only one attorney that could handle these types of complex cases, which would be overwhelming and place the success rate of litigation in jeopardy.

As we have previously stated, neither the Police Department nor other city officials were able to provide us with suitable records that documented the selection of the law firm or the terms and conditions of the agreement. While it is prudent to select a law firm with qualifications and expertise, the Equitable Sharing Guideline and basic accounting principles require the creation and retention of accounting records that would have allowed for a review of the selection or procurement of the law firm. Additionally, according to AFMLS officials, the Equitable Sharing program permits the use of certain consulting services if the circumstances surrounding the need for the services meet program standards. Based on our discussion with AFMLS officials, and explained above, the Police Department's use of the law firm did not satisfy these standards.

Therefore, we question the \$374,257 the Police Department paid in equitable sharing funds for civil forfeiture litigation services as unallowable. We recommend the Police Department remedy the questioned costs.

Conclusion

We found weaknesses with the Police Department's reconciliation of asset forfeiture funds requested with those received. We also found that the Police Department paid \$374,257 to a private law firm for forfeiture litigation services that were unallowable.

Recommendations

We recommend the Criminal Division ensure the City of Sunrise Police Department:

1. Consistently follows its written procedures for recording equitable sharing receipts.
2. Remedy the \$374,257 in questioned costs for unallowable payments to a private law firm for forfeiture litigation services over an extended period.

OBJECTIVE, SCOPE, AND METHODOLOGY

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and 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.

Objective

The objective of the audit was to assess whether the City of Sunrise Police Department accounted for equitable sharing funds properly and used such revenues for allowable purposes defined by applicable guidelines. We tested compliance with what we considered were the most important conditions of the Department of Justice’s (DOJ) equitable sharing program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*, dated April 2009.

Scope and Methodology

Our audit concentrated on, but was not limited to, equitable sharing receipts received by the City of Sunrise Police Department between October 1, 2007, and March 12, 2014. The U.S. Departments of the Treasury and Homeland Security administers a similar equitable sharing program. Our audit was limited to equitable sharing revenues received through the DOJ equitable sharing program.

We performed audit work at the City of Sunrise Police Department located in Sunrise, Florida. To accomplish the objectives of the audit, we interviewed Police Department officials and the City Attorney. We examined records, expenditures of equitable sharing revenues, and property received by the Police Department. We sought to interview the Chief of the Drug Trafficking Unit of the Broward State Attorney’s Office about the Police Department’s participation in the program but the Chief declined our interview request. We relied on computer-generated data contained in the DOJ Consolidated Asset Tracking System (CATS) for determining equitable shared revenues and property awarded to the Police Department during the audit period. We did not establish the reliability of the data contained in the CATS system as a whole. However, when the data we relied upon is viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations included in this report are valid.

Our audit specifically evaluated the Police Department's compliance with three essential equitable sharing guidelines: (1) federal Equitable Sharing Agreements and Annual Certification Forms, (2) accounting for equitable sharing receipts, and (3) use of equitable sharing funds. In planning and performing our audit, we considered internal controls established and used by the Police Department and the City of Sunrise over DOJ equitable sharing receipts to accomplish our audit objective. However, we did not assess the Police Department's financial management system's reliability, internal controls, or whether it, as a whole, complied with laws and regulations.

During the scope of the audit, October 1, 2007, to March 12, 2014, the City of Sunrise Police Department received \$5,551,343 in DOJ equitable sharing funds and 2 property receipts totaling \$71,778. We tested a judgmental sample of 83 cash receipts totaling \$4,176,775 and 2 property receipts. We selected a sample of expenditures totaling \$3,079,374. A judgmental sampling design was applied to obtain broad exposure to numerous facets of the disbursements reviewed, such as dollar amounts. This non-statistical sample design does not allow for the projection of test results to all disbursements.

Our audit included an evaluation of the city's most recent annual audit for the fiscal year ended September 30, 2013. The results of this audit were reported in the Single Audit Report that accompanied the city's basic financial statements for the year ended September 30, 2013. The Single Audit Report was prepared under the provisions of Office of Management and Budget Circular A-133. We reviewed the independent auditor's assessment, which disclosed no control weaknesses or significant noncompliance issues related to the Police Department.

SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount	Page
Unallowable Costs:		
Legal Consulting Services	\$374,257	7-9
Total Unallowable Costs	\$374,257	
Total Questioned Costs⁷	\$374,257	

⁷ Questioned costs are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

THE CRIMINAL DIVISION, ASSET FORFEITURE AND MONEY LAUNDERING SECTION'S RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Washington, D.C. 20530

NOV -7 2014

MEMORANDUM

TO: Ferris B. Polk
Regional Audit Manager
Office of the Inspector General (OIG)

FROM: Jennifer Bickford *Jennifer Bickford*
Acting Assistant Deputy Chief
Asset Forfeiture and Money
Laundering Section

SUBJECT: Draft Audit Report- Audit of the City of Sunrise, Florida Police Department's
Equitable Sharing Program Activities

In a memorandum dated October 16, 2014, your office summarized the preliminary findings from the audit performed on the Sunrise Police Department (SPD). This draft report referenced the actions necessary for final closure of the outstanding audit recommendations.

Recommendations:

- 1. Ensure the City of Sunrise Police Department consistently follows its written procedures for recording equitable sharing receipts.**
- 2. Remedy the \$374,257 in questioned costs for unallowable payments to a private law firm for forfeiture litigation services over an extended period.**

The Asset Forfeiture and Money Laundering Section (AFMLS) concurs with all findings. AFMLS will coordinate implementation of recommendation number one and corrective action for recommendation number two after issuance of the final audit report.

cc: Denise Turcotte, Audit Liaison
Criminal Division

Richard P. Theis, Assistant Director
Audit Liaison Group

THE CITY OF SUNRISE POLICE DEPARTMENT'S RESPONSE TO THE DRAFT REPORT

CITY OF SUNRISE POLICE DEPARTMENT

JOHN E. BROOKS – CHIEF OF POLICE



October 26, 2014

Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General
United States Department of Justice
75 Spring Street SW, Suite 1130
Atlanta, Georgia 30303

Dear Mr. Polk,

This letter is in response to your Agency's audit of the Sunrise, Florida Police Department's (SPD) Equitable Sharing Program Activities for fiscal years 2008 – 2014. The SPD agrees with each recommendation and has taken steps to safeguard these exceptions are not replicated in the future.

Recommendation #1 – Consistently follow its written procedures for recording Equitable Sharing Receipts.

The Sunrise, Florida Police Department *agrees* with the U.S. Department of Justice audit recommendation and has instituted new procedures to ensure all DAG-71 Equitable Sharing Receipts are reconciled and accurately chronicled. This new procedure was established immediately upon review of the draft document on October 16, 2014. The new protocol mandates that when an Equitable Sharing Receipt is authored, the detective initiating the receipt will ensure that a copy is made and forwarded to the unit commander prior to obtaining required signatures. This new procedure ensures the copied receipt will be maintained in accordance with the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*.

Recommendation #2 – Remedy the \$374,257.00 in questioned costs for unallowable payments to a private law firm for forfeiture litigation services over an extended period.

The Sunrise, Florida Police Department *agrees* with the U.S. Department of Justice audit recommendation and respectfully requests consideration to off-set the \$374,257.00 deemed unallowable against future equitable sharing payments. The Sunrise, Florida Police Department has instituted new guidelines for equitable sharing expenditures and will no longer expend these funds on legal fees.

I would like to thank the audit team for their unquestioned dedication and professionalism exhibited during this process. The team was always available to answer any questions and portrayed a spirit of cooperation and transparency throughout this process.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Brooks".

John E. Brooks
Chief of Police



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**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The Office of the Inspector General (OIG) provided a draft of this report to the Criminal Division, Asset Forfeiture and Money Laundering Section (AFMLS) and the City of Sunrise Police Department. The AFMLS response is incorporated in Appendix 3 and the Police Department response is incorporated in Appendix 4 of this final report. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation:

- 1. Ensure that the City of Sunrise Police Department consistently follows its written procedures for recording equitable sharing receipts.**

Resolved. The AFMLS agreed with the recommendation and stated that it would coordinate the implementation of the recommendation after the final report is issued. The Police Department also agreed, and stated it had instituted new procedures to ensure all equitable sharing receipts are reconciled and accurately chronicled. This recommendation can be closed when we receive the Police Department's written procedures to ensure all equitable sharing receipts are reconciled and recorded.

- 2. Remedy the \$374,257 in questioned costs for unallowable payments to a private law firm for forfeiture litigation services over an extended period.**

Resolved. The AFMLS agreed with the recommendation and stated that it would coordinate the corrective action for the recommendation after the final report is issued. The Police Department also agreed, and stated it would request the AFMLS offset the \$374,257 against future equitable sharing payments. This recommendation can be closed when we receive documentation that the \$374,257 in questioned costs has been adequately remedied.

The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at www.justice.gov/oig/hotline or (800) 869-4499.



Office of the Inspector General
U.S. Department of Justice
www.justice.gov/oig