



**AUDIT OF METRO NARCOTICS TASK FORCE  
EQUITABLE SHARING ACTIVITIES  
SALT LAKE CITY, UTAH**

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

Audit Report GR-60-14-009  
May 2014

**AUDIT OF METRO NARCOTICS TASK FORCE  
EQUITABLE SHARING ACTIVITIES  
SALT LAKE CITY, UTAH**

**EXECUTIVE SUMMARY**

The U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division, has completed an audit to assess whether the Metro Narcotics Task Force (Task Force) accounted for DOJ equitable sharing funds and property, and used such revenues for allowable purposes as defined by applicable guidelines. The audit covered the Task Force's fiscal years (FY) 2012 and 2013.<sup>1</sup> During the audit period, the Task Force received \$961,867 and spent \$1,073,124 in equitable sharing funds.

We found that the Task Force primarily spent equitable sharing monies to enhance and support its law enforcement capabilities. However, we found equitable sharing requests were not logged as required by equitable sharing guidelines, the Task Force disposed of one piece of received property less than 2 years after receipt, and the Task Force does not have documented procedures for approval of equitable sharing expenditures. This audit report includes two recommendations to the Criminal Division, which oversees the use of equitable sharing funds by recipients. Our findings are discussed in greater detail in the Findings and Recommendations section of the report. The audit objectives, scope, and methodology are contained in Appendix I.

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<sup>1</sup> Metro Narcotics Task Force's fiscal year begins July 1 and ends June 30.

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# AUDIT OF METRO NARCOTICS TASK FORCE EQUITABLE SHARING ACTIVITIES SALT LAKE CITY, UTAH

## INTRODUCTION

The Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division, has completed an audit of the use of DOJ equitable sharing funds by the Metro Narcotics Task Force (Task Force) in Salt Lake City, Utah. The objectives of the audit were to assess whether the Task Force accounted for equitable sharing funds and property, and used such revenues for allowable purposes as defined by applicable guidelines. The audit covered the Task Force's fiscal years (FY) 2012 and 2013, beginning on July 1, 2011, and ending on June 30, 2013.<sup>1</sup> During that period, the Task Force received \$961,867 as a participant in the DOJ equitable sharing program. The Task Force's reported equitable sharing fund balances, expenditures, and revenues for FYs 2012 and 2013 are shown in Exhibit 1.

### EXHIBIT 1: TASK FORCE REPORTED EQUITABLE SHARING FUND ACTIVITY, FYs 2012-2013

TASK FORCE FISCAL YEAR	BEGINNING BALANCE	EXPENDITURES	FUNDS RECEIVED	INTEREST INCOME	OTHER INCOME <sup>2</sup>	ENDING BALANCE <sup>3</sup>
2012	\$1,014,973	\$448,968	\$774,163	\$6,974	\$2,485	\$1,349,628
2013	\$1,349,628	\$624,157	\$187,705	\$6,814	\$11,880	\$931,870

Source: Metro Narcotics Task Force ESACs

### DOJ Equitable Sharing Program

Since the Comprehensive Crime Control Act of 1984 authorized the implementation of a national asset forfeiture program, asset forfeiture has become one of the most powerful tools available to law enforcement agencies because it deprives criminals of the profits and proceeds derived from their illegal activities. A key element of the DOJ's asset forfeiture initiative is the equitable sharing program whereby the DOJ and its components share a portion of federally forfeited cash, property, and proceeds with state and local law enforcement agencies.<sup>4</sup>

Although several DOJ agencies are involved in various aspects of the seizure, forfeiture, and disposition of equitable sharing revenues, three DOJ components

<sup>1</sup> Metro Narcotics Task Force's fiscal year begins July 1 and ends June 30.

<sup>2</sup> Other Income is income derived from equitable sharing activities, other than interest, and is commonly received from the sale of shared property.

<sup>3</sup> Throughout this report, differences in individual amounts and totals are due to rounding.

<sup>4</sup> Federal asset forfeiture programs are also administered by the U.S. Department of the Treasury. This audit was limited to equitable sharing revenues received through the DOJ equitable sharing program.

work together to administer the equitable sharing program – the United States Marshals Service (USMS), the Justice Management Division (JMD), and the Criminal Division’s Asset Forfeiture and Money Laundering Section (AFMLS). The USMS is responsible for transferring asset forfeiture funds from the DOJ to the receiving state or local agency. The JMD manages the Consolidated Asset Tracking System (CATS), a database used to track federally seized assets throughout the forfeiture life-cycle. Finally, AFMLS tracks membership of state and local participants, updates the equitable sharing program rules and policies, and monitors the allocation and use of equitably shared funds.

State and local law enforcement agencies may receive equitable sharing funds by participating directly with DOJ agencies on investigations that lead to the seizure and forfeiture of property, or by seizing property and requesting one of the DOJ agencies to 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.

To request a share of seized assets, a state or local law enforcement agency must first become a member of the DOJ equitable sharing program. Agencies can become members of the program by signing and submitting an annual Equitable Sharing Agreement and Certification (ESAC) report to AFMLS. As part of each annual agreement, officials of participating agencies certify that they will use equitable sharing funds for allowable law enforcement purposes.

As summarized in Exhibit 2, the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Guide)* outlines categories of allowable and unallowable uses for equitable sharing funds and property.

**EXHIBIT 2: SUMMARY OF ALLOWABLE AND UNALLOWABLE USES FOR  
EQUITABLE SHARING FUNDS**

Allowable Uses	Unallowable Uses
Salaries for new and temporary appointments of law enforcement personnel	Salaries for existing positions
Overtime for officers and investigators, payments to informants, reward money, and the purchase of evidence	Uses contrary to the laws of the state or local jurisdiction
Training of officers, investigators, prosecutors, and law enforcement support personnel necessary to perform official law enforcement duties	Use of shared vehicles, forfeited property, or items purchased with shared funds by non-law enforcement agency personnel
Purchase, lease, construction, expansion, improvement, or operation of law enforcement or detention facilities	Capital improvements on leased property or space, and capital expenditures without AFMLS approval
Support of eligible community-based programs through direct purchase of supplies, equipment and/or services	Cash transfers to community-based programs
Law enforcement equipment, travel and transportation costs, awards and memorials, and language assistance services	Use of federally forfeited luxury vehicles for other than undercover law enforcement purposes
Drug and gang education and awareness programs	Education-related costs such as scholarships, financial aid, and non-law enforcement classes
Accounting, auditing, and tracking of expenditures for federally shared cash, proceeds, and tangible property (excludes salaries for agency personnel)	Extravagant expenditures and non-law enforcement use of shared assets
Transfers to other law enforcement agencies, matching contributions or shares to law enforcement related federal grant programs, and pro rata funding for costs supporting multi-agency items or facilities	Purchase of food and beverages, unless part of a conference package policy or if state or local law or rules permit officers to be reimbursed for such expenses

Source: *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*

**Metro Narcotics Task Force**

The Metro Narcotics Task Force is headquartered in Salt Lake City, Utah. The Task Force consists of members from 12 state and local law enforcement agencies, as well as the Drug Enforcement Administration (DEA). Task Force member agencies entered into the most current Task Force agreement in January 2007, which expires June 30, 2014. The Task Force is governed by an Executive Board with input from an Advisory Board, which is currently under the leadership of Salt Lake City's Police Chief. Task Force operations are supervised by the Salt Lake City DEA Assistant Special Agent in Charge (ASAC) and a Deputy Director, who is appointed by the Executive Board.

The Task Force has been in existence for more than 20 years; Task Force officers participate in DEA-led investigations. The Task Force's primary funding source is the High Intensity Drug Trafficking Area (HIDTA) program. Task Force

officials stated that DOJ equitable sharing receipts are used to supplement HIDTA funding.

## **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*, issued by AFMLS in 2009, as our primary criteria. The *Guide* identifies the accounting procedures and requirements for tracking equitable sharing monies and tangible property, establishes reporting and audit requirements, and defines the permissible uses of equitable sharing resources.

To conduct the audit, we tested the Task Force's compliance with the following three aspects of the DOJ equitable sharing program:

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

Our audit objectives, scope, and methodology are detailed in Appendix I.

## FINDINGS AND RECOMMENDATIONS

We found that the Metro Narcotics Task Force primarily used equitable sharing funds to enhance and support its law enforcement activities. However, the Task Force did not maintain a log of equitable sharing requests, obtain approval for early disposal of one item of received property, or have documented procedures for approval of equitable sharing expenditures. Based on our audit results, we make two recommendations to improve the management of equitable sharing funds.

### **Equitable Sharing Agreement and Certification Reports**

The *Guide* requires participating law enforcement agencies to submit the Equitable Sharing Agreement and Certification (ESAC) report within 60 days after the end of an agency's fiscal year, regardless of whether equitable sharing funds were received or maintained that year. Additionally, the ESAC 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 ESAC, the signatories agree to follow statutes and guidelines that regulate the equitable sharing program and certify the accuracy of the agency's accounting of equitable sharing funds and property.

#### *Completeness and Timeliness of ESAC Reports*

We tested the Task Force's compliance with ESAC reporting requirements to determine if its reports were accurate, complete, and submitted in a timely manner. We obtained the Task Force's ESACs submitted for FYs 2012 and 2013 and found the reports were complete and signed by appropriate officials. We did not find any indications that the ESACs were submitted late.

#### *Accuracy of ESAC Reports*

To verify the total amount of equitable sharing funds received, we compared the receipts listed on the Task Force's two most recent ESACs to the total amounts listed as disbursed on the DOJ's Consolidated Asset Tracking System (CATS) report for each period. Our analysis showed that the Task Force's most recent ESACs reported receipts of \$774,163 and \$187,705 for FYs 2012 and 2013, respectively, which matched the receipts listed in the CATS report.

To verify the total expenditures listed on the Task Force's two most recent ESACs, we compared expenditures listed on the ESACs to the Task Force's accounting records for each period. Our analysis showed that the total expenditures reported in the Task Force's two most recent ESACs were \$448,968 and \$624,157 in FYs 2012 and 2013, respectively, which matched the expenditures stated in the Task Force's accounting records.

## Accounting for Equitable Sharing Receipts

The *Guide* requires that law enforcement agencies use standard accounting procedures to track equitable sharing program receipts. Participating agencies should also maintain a log of all sharing requests that consecutively number each request and list the seizure type, seizure amount, share amount requested, amount received, and date received for each request.<sup>5</sup> Since the amount actually received may differ from the amount initially requested, receiving agencies should update the log when a request is received, and periodically reconcile the log to ensure accurate recordkeeping. Task Force officials stated that the Task Force does not maintain a sharing request log. While Task Force officials had the ability to view the status of individual sharing requests in CATS, they did not have the ability to compare the status of all requests or to reconcile receipts to the amount requested. Without the ability to monitor and reconcile requests, we determined that the Task Force had not been able ensure that it had received and accounted for all equitable sharing funds properly. As a result of our audit, Task Force officials provided us with a spreadsheet template that they intend to use to monitor equitable sharing requests. Therefore, we make no recommendation related to this finding.

As stated previously, the Task Force's 13 member agencies entered into the current agreement to participate in the Task Force in January 2007, which expires at the end of June 2014. If Task Force operations result in seized assets that are then forfeited, the Task Force receives a share of the proceeds from the assets. Shared proceeds are accounted for by the Task Force's fiduciary agency, Murray City, which also maintains the Task Force's equitable sharing bank account.

We reviewed how the Task Force requested and tracked DOJ equitable sharing receipts. When an asset is seized, a DEA asset forfeiture specialist serving on the task force prepares a form requesting a portion of the forfeiture. Each request form is signed and certified by Murray City, and then submitted by a Task Force asset forfeiture specialist. After the requested assets go through the legal proceedings and are forfeited, the USMS disburses the assets or proceeds from the sale of a forfeiture to the Task Force. The Task Force receives all cash receipts into its bank account via Electronic Fund Transfer (EFT). Murray City tracks the Task Force's equitable sharing funds using a unique accounting identifier. Prior to August 2012, Task Force officials received email notifications of EFT receipts from USMS; those notifications stopped after August 2012, but Task Force officials are currently notified of deposits by Murray City accounting officials. During our fieldwork, we contacted USMS about the missing EFT notifications and USMS provided the Task Force with the appropriate document to reinstate the EFT notification emails.

The Task Force also received property through equitable sharing. Use of received property is determined by the Task Force's ASAC, with oversight by the

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<sup>5</sup> Under AFMLS rules in effect during the audit period, a law enforcement agency submitted separate share requests on form number DAG-71, "Application for Transfer of Federally Forfeited Property" for each shared asset request.

governing board. We confirmed that the Task Force inventories and tracks its assets and equipment. Task Force officials stated that all tagged assets and equipment are physically verified by the Task Force quartermaster every 2 years.

For the Task Force’s fiscal years ending June 30, 2012, and June 30, 2013, the CATS reports recorded 80 equitable sharing cash receipts totaling \$961,867 and 3 property receipts totaling \$25,458, as shown in Exhibit 3.

**EXHIBIT 3: TASK FORCE RECEIPTS**

TASK FORCE FISCAL YEAR	CASH/PROCEEDS	PROPERTY	TOTAL
2012	\$774,163	-	\$774,163
2013	\$187,705	\$25,458	\$213,162

Source: CATS reports

The *Guide* requires shared property to be placed into official use for at least 2 years following the transfer, after which the property can be sold. Sale of property less than 2 years from receipt requires approval by AFMLS prior to the sale. One of the items received by the Task Force within the scope of our audit was disposed early; a vehicle that was shared in October 2012 and sold at auction in March 2013. The CATS report valued the vehicle at \$7,688, but when the Task Force received the vehicle it was inoperable. Task Force documentation showed the vehicle needed an estimated \$8,123 in repairs to be functional. Because the reason for the early sale of the vehicle appeared to be justified and was documented, we do not question any costs associated with the vehicle. However, the Task Force did not request approval of the sale from AFMLS. Therefore, we recommend that the Criminal Division ensures that the Task Force requests and receives AFMLS approval prior to disposing of received property within 2 years of its receipt.

We compared the CATS report to Task Force deposit and inventory records and found that cash and property receipts for FYs 2012 and 2013 matched. We tested the five highest cash receipts from Task Force FYs 2012 and 2013, totaling \$557,146, and found that the tested receipts were properly deposited and recorded in a timely manner, as shown by Exhibit 4.

**EXHIBIT 4: TASK FORCE SAMPLED RECEIPTS**

SAMPLE COUNT	DATE RECEIVED (CATS REPORT)	DATE RECEIVED (PER TASK FORCE ACCOUNTING RECORDS)	AMOUNT RECEIVED
1	09/12/2011	09/12/2011	\$219,870
2	08/24/2012	08/24/2012	103,038
3	04/16/2012	04/16/2012	93,844
4	04/17/2012	04/17/2012	77,207
5	06/25/2012	06/25/2012	63,187

Source: CATS report and Task Force accounting records

## **Use of Equitable Sharing Funds**

Generally, participating agencies should use equitable sharing funds for law enforcement purposes. According to Task Force officials, recurring and small expenditures of equitable sharing funds are approved by the ASAC and Deputy Director. The Task Force Executive Board oversees expenditures and approves large or nonrecurring purchases. However, Task Force officials stated that the Task Force does not have documented procedures governing expenditures made with equitable sharing funds. The *Guide* requires that equitable sharing recipients have an internal procedure to recommend expenditures, including authorization from the agency head and, if appropriate, approval from the governing body. To assure that expenditures are being properly approved, the procedures for approval of expenditures should be documented. Therefore, we recommend that the Criminal Division ensures that the Task Force has documented procedures for approval of equitable sharing expenditures.

The Task Force spent a total of \$1,073,124 in equitable sharing funds in its FYs 2012 and 2013 to obtain law enforcement related items, including overtime, travel and training, communications and computer equipment, uniforms and protective gear, electronic surveillance equipment, and vehicle leases and maintenance.

We tested 40 transactions totaling \$624,180 to assess whether these expenditures were allowable under equitable sharing guidelines, and adequately supported. The sample included high-dollar expenditures and purchases for items we judgmentally selected based on their having a potential for impermissible or improper uses. We found that the Task Force maintained documentation that adequately supported each tested transaction. However, we identified one invoice for \$3,820 for which \$3,840 was paid. Task Force officials stated the overpayment was due to a typographical error at the time the payment request was submitted. Because the amount of the overpayment was negligible, we determined it to be immaterial.

## **Recommendations**

We recommend that the Criminal Division:

1. Ensure that the Metro Narcotics Task Force receives approval from AFMLS prior to disposing of received property within 2 years of its receipt.
2. Ensure that the Metro Narcotics Task Force has documented procedures for approval of equitable sharing expenditures.

### OBJECTIVES, 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, 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 Metro Narcotics Task Force (Task Force) accounted for equitable sharing funds and property 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 Task Force between July 1, 2011 and June 30, 2013. The U.S. Department of the Treasury 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 Task Force headquarters located in Salt Lake City, Utah. To accomplish the objectives of the audit, we interviewed Task Force officials and examined records, related revenues, and expenditures of equitable sharing revenues and expenditures. In addition, we relied on computer-generated data contained in the DOJ Consolidated Asset Tracking System (CATS) for determining equitably shared revenues and property awarded to the Task Force 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 Task Force compliance with three essential equitable sharing guidelines: (1) Equitable Sharing Agreement and Certification reports; (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 Task Force over DOJ equitable sharing receipts to accomplish our audit objectives. However, we did not assess the Task Force's

financial management system's reliability, internal controls, or whether it, as a whole, complied with laws and regulations.

In the scope of this audit, the Task Force had 80 cash/proceeds receipts totaling \$961,867 and 3 property receipts totaling \$25,458. We tested a judgmental sample of 5 receipts totaling \$557,146. In the same period, the Task Force had expenditures totaling \$1,073,124. We selected a sample of 40 expenditures for testing. 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 projection of the test results to all disbursements.

Our audit included an evaluation of the Task Force's most recent annual audit. The results of this audit were reported in the Single Audit Report that accompanied the Task Force's basic financial statements for the year ended June 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.

**METRO NARCOTICS TASK FORCE RESPONSE  
TO THE DRAFT REPORT**



**U. S. Department of Justice**  
Drug Enforcement Administration  
Salt Lake City District Office  
348 East South Temple  
Salt Lake City, Utah 84111

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*www.dea.gov*

April 22, 2014

Rebecca M. Quinson  
Assistant Regional Audit Manager  
Denver Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
1120 Lincoln Street, Suite 1500  
Denver, Colorado 80203

Ms. Quinson,

**REFERENCE:** Department of Justice, Office of Inspector General Draft Audit Report for the Metro Narcotics Task Force in Salt Lake City, Utah.

Below, please find the language that should satisfy recommendations made by your auditing team. It will be incorporated into the new Metro Narcotics Task Force (MNTF) MOU (to replace the one that expires this summer). This change was approved by the MNTF Executive Committee during an April 8, 2014 MNTF meeting.

**Office of Inspector General Recommendation:**

Ensure that the Metro Narcotics Task Force has documented procedures for approval of equitable sharing expenditures.

- (a) Spending Authorization. In response to recommendations made in the recent audit of the Metro Narcotics Task Force asset forfeiture funds from the Department of Justice, Office of Inspector General, Asset Forfeiture and Money Laundering Section this document will serve as a spending authority for non-grant funded task force related expenses.

The ASAC and/or Deputy Director are authorized to make payments from the "Chiefs" fund as necessary to pay for regularly occurring bills. These bills include, but are not necessarily limited to, the following:

- Vehicle lease
- Communication and surveillance costs, i.e., air cards, modems, cellular service, office internet and phone service
- Fuel cost for unassigned and special purpose vehicles

- Equipment maintenance to include emergency equipment for newly leased vehicles as well as computer and printer repair
- Awards and plaques for outgoing personnel
- Yearly outside audit costs as required by federal and state law
- New task force officer basic supply kits
- Basic office supplies not covered by grant money
- Annual shooting range fees
- Balance of 5% equivalent of grant award for administrative costs to fiduciary
- Annual costs associated with yearend office award ceremony and luncheon

Assuming that funds are available, these bills may be paid without any further approval from the Executive Board.

The Executive Board also authorizes without prior approval the following expenses with a spending limit not to exceed \$50,000.00 per category per year as deemed necessary by the ASAC and/or Deputy Director:

- Small equipment purchases not to exceed \$3,500.00 per purchase
- Confidential funds for case related undercover buys
- Overtime which is strictly case related when grant money is expended
- Travel which is strictly case related when grant money is expended

Approval by the Metro Narcotics Task Force Executive Board is required for the following expenditures without exception:

- Training and non-case related travel
- Equipment purchases over \$3,500.00

Please let me know if you require anything further.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Nicki Hollmann', with a large loop on the left and a long horizontal stroke extending to the right.

Nicki Hollmann  
Assistant Special Agent in Charge  
Salt Lake City District Office

CRIMINAL DIVISION RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Washington, D.C. 20530

APR 14 2014

MEMORANDUM

TO: David M. Sheeren  
Regional Audit Manager  
Denver Regional Audit Office  
Office of the Inspector General (OIG)

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

SUBJECT: DRAFT OIG AUDIT REPORT- Audit of Metro Narcotics Task Force Equitable Sharing Activities

In a memorandum to Mythili Raman dated April 1, 2014, your office provided a draft of the above referenced report, and requested comments and a response from the Criminal Division. The Asset Forfeiture and Money Laundering Section (AFMLS) concurs with the following recommendations:

1. **Ensure that the Metro Narcotics Task Force (MNTF) receives approval from AFMLS prior to disposing of received property within 2 years of its receipt.**
2. **Ensure that the Metro Narcotics Task Force has documented procedures for approval of equitable sharing expenditures.**

Upon submission of the final report for the above referenced audit, AFMLS will work with the MNTF to take the necessary actions to close out the audit report recommendations. Please feel free to contact me at (202) 514-1470 with any further questions.

cc: Denise Turcotte  
Audit Liaison  
Criminal Division

Richard P. Theis  
Assistant Director  
Audit Liaison Group  
Internal Review and Evaluation Office  
Justice Management Division

## APPENDIX IV

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

The OIG provided a draft of this audit report to the Task Force and the Criminal Division. The Task Force's response is incorporated as Appendix II and the Criminal Division's response is incorporated in Appendix III of this final report. The following provides the OIG analysis of the responses and a summary of actions necessary to close the report.

Recommendation Number:

1. Resolved. The Criminal Division concurred with the recommendation to ensure that the Task Force receives approval from AFMLS prior to disposing of received property within 2 years of its receipt. The Criminal Division stated in its response that it will work with the Task Force to close the recommendation.

In its response, the Task Force did not address the recommendation to ensure that the Task Force receives approval from AFMLS prior to disposing of received property within 2 years of its receipt. However, the Task Force previously agreed with the draft report findings and recommendations in an email dated April 14, 2014.

This recommendation can be closed when we receive evidence that the Task Force has procedures in place to receive approval from AFMLS prior to disposing of received property within 2 years of its receipt.

2. Resolved. The Criminal Division concurred with the recommendation to ensure that the Task Force has documented procedures for approval of equitable sharing expenditures. The Criminal Division stated in its response that it will work with the Task Force to close the recommendation.

In its response, the Task Force provided revised language that will be incorporated into the Task Force Memorandum of Understanding (MOU) that will be effective when the current MOU expires this summer. The Task Force Executive Committee approved the revised language on April 8, 2014. The revised language appears to address our finding by establishing dollar thresholds for purchasing approval.

This recommendation can be closed when we receive evidence that the new MOU with the revised language becomes effective and is signed by Task Force member agencies.