



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



**Audit of the  
Charter Township of  
Plymouth Police Department's  
Equitable Sharing Program Activities  
Plymouth Township, Michigan**

# **AUDIT OF THE CHARTER TOWNSHIP OF PLYMOUTH POLICE DEPARTMENT'S EQUITABLE SHARING PROGRAM ACTIVITIES PLYMOUTH TOWNSHIP, MICHIGAN**

## **EXECUTIVE SUMMARY**

The U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division, has completed an audit of the use of DOJ equitable sharing revenues by the Charter Township of Plymouth, Michigan, Police Department (Plymouth Township PD). Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations. During the period of January 1, 2010, through September 30, 2014, the Plymouth Township PD received a total of \$1,907,242 in DOJ equitable sharing revenues to support law enforcement operations.<sup>1</sup> The Plymouth Township PD reported expenditures of \$1,294,392 in equitable sharing funds between fiscal year (FY) 2010 and FY 2013.<sup>2</sup>

The objective of the audit was to assess whether equitably shared cash and property received by the Plymouth Township PD was accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines. We identified numerous internal control issues, including a lack of documented policies and procedures that weakened the Plymouth Township PD's management of its equitable sharing activities. We further found that the Plymouth Township PD did not fully comply with the 2009 Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Guide) with respect to accounting for equitable sharing receipts and the allowable use of equitable sharing funds. Specifically:

- According to the Guide, the law enforcement agency head must authorize all expenditures of equitable sharing funds. However, we found that the Plymouth Township's governing body (Plymouth Township), including the Township Treasurer's Office, rather than the Plymouth Township Chief of Police, had responsibility for and control over all expenditures from the equitable sharing fund.
- According to the Guide, the participating law enforcement agency must establish a separate revenue account or accounting code solely for the proceeds from the DOJ Equitable Sharing Program, and the agency may not commingle DOJ equitable sharing funds with funds from any other source. Although Plymouth Township had created a separate accounting code and bank account for equitable sharing funds, we found that it commingled DOJ

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<sup>1</sup> The Plymouth Township PD's fiscal year begins on January 1 and ends on December 31.

<sup>2</sup> The amount expended is based on Plymouth Township's annual certification reports. Because the FY 2014 certification report had not been filed at the time of fieldwork, the \$1,294,392 comprises what was reported as being expended during FYs 2010 through 2013.

equitable sharing funds with other funds within its accounting system and its bank account designated for DOJ equitable sharing receipts.

- The Plymouth Township PD submitted Equitable Sharing Agreement and Certification reports for FYs 2010 through FY 2012 that were inaccurate. Moreover, the FY 2013 report was submitted 3 months late, and Plymouth Township's Chief of Police did not sign the report.
- We identified \$29,792 in questioned costs associated with using equitable sharing funds to pay for civilian salary costs and to purchase items unrelated to the Plymouth Township PD.
- According to the Guide, agencies should not commit to the spending of equitable sharing funds for a certain purpose in advance of actually receiving such funds. However, we determined that between January 2011 and April 2011, Plymouth Township identified certain expenditures as being paid for with equitable sharing funds when it had not received a sufficient amount of equitable sharing revenues to pay for those expenses at the time the costs were incurred. As a result, we questioned \$21,591 as unallowable costs.
- For FYs 2010 through 2014, the Plymouth Township PD failed to maintain a complete and up-to-date log of its equitable sharing requests and receipts.

Our report contains 12 recommendations that address the weaknesses we identified. Our findings are discussed in detail in the Findings and Recommendations section of the report. The audit objective, scope, and methodology are included in Appendix 1.

We discussed the results of our audit with Plymouth Township officials and included their comments in the report, as applicable. In addition, we provided the Plymouth Township PD and the Criminal Division's Asset Forfeiture and Money Laundering Section (AFMLS) the opportunity to provide written responses to the draft audit report. Appendix 3 contains the Plymouth Township PD's response, and Appendix 4 contains the Criminal Division's response.

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# **AUDIT OF THE CHARTER TOWNSHIP OF PLYMOUTH POLICE DEPARTMENT'S EQUITABLE SHARING PROGRAM ACTIVITIES PLYMOUTH TOWNSHIP, MICHIGAN**

## **INTRODUCTION**

The Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division has completed an audit on the use of DOJ equitable sharing funds by the Charter Township of Plymouth, Michigan, Police Department (Plymouth Township PD). The audit covered the Plymouth Township PD's participation in the DOJ Asset Forfeiture Program between January 1, 2010, and September 30, 2014.<sup>3</sup> During that period, the Plymouth Township PD received a total of \$1,907,242 in equitable sharing revenues and reported expenditures of \$1,294,392 in equitable sharing funds.<sup>4</sup> The objective of the audit was to assess whether equitably shared cash and property received by the Plymouth Township PD was accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines.

### **DOJ Equitable Sharing Program**

Because asset forfeiture deprives criminals of the profits and proceeds derived from their illegal activities, it is considered by DOJ to be one of the most powerful tools available to law enforcement agencies. A key element of 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.<sup>5</sup>

State and local law enforcement agencies receive equitable sharing funds by participating jointly 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 the agency.

Three DOJ components work together to administer the equitable sharing program: (1) the U.S. Marshals Service (USMS), (2) the Justice Management

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<sup>3</sup> The Plymouth Township PD's fiscal year begins on January 1 and ends on December 31.

<sup>4</sup> The amount of expenditures is based upon the annual certification reports. Because the fiscal year (FY) 2014 certification report had not been filed at the time of fieldwork, the \$1,294,392 comprises what was reported as being expended during FYs 2010 through 2013.

<sup>5</sup> Federal asset forfeiture programs are also administered by the U.S. Department of the Treasury and the U.S. Department of Homeland Security.

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 DOJ to the receiving state or local agency. The Justice Management Division manages the Consolidated Asset Tracking System, 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 equitable sharing 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 to DOJ an equitable sharing agreement and certification form. The agreement must be renewed annually, and by signing and submitting the agreement, the officials of participating agencies certify that they will use equitable sharing funds for law enforcement purposes.

### **Plymouth Township Police Department**

Plymouth Township is located about halfway between Ann Arbor, Michigan, and Detroit, Michigan, in Wayne County. Serving a population of over 27,000 residents, the Plymouth Township PD was comprised of 28 sworn officers as of October 2014. The Plymouth Township PD became a member of the DOJ equitable sharing program in 2008.

The Plymouth Township Treasurer's Office administers and coordinates financial services, such as executing financial transactions, for the Plymouth Township PD. The Plymouth Township PD submits all expenditure requests to the Plymouth Township Clerk's Office for approval. Both the Chief of Police and the Supervisor of Plymouth Township are identified as the responsible officials for signing the annual equitable sharing agreement and certification reports.

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

To conduct the audit, we tested the Plymouth Township PD's compliance with the following aspects of the DOJ equitable sharing program:

- **Internal controls and program oversight** to determine if the auditee exercised proper control and oversight over DOJ equitable sharing funds.
- **Accounting for equitably shared resources** to determine whether standard accounting procedures were used to track equitable sharing assets.
- **Equitable Sharing Agreement and Annual Certification Reports** to determine if these documents were complete, accurate, and timely submitted.
- **Use of equitably shared funds** to determine if equitable sharing funds were spent for permissible uses.
- **Compliance with audit requirements** to ensure the accuracy, consistency, and uniformity of audited equitable sharing data.
- **Monitoring of applications for transfer of federally forfeited property** to ensure adequate controls were established.

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

## **FINDINGS AND RECOMMENDATIONS**

We identified numerous internal control issues, including a lack of documented policies and procedures, that weakened the Plymouth Township PD's management of its equitable sharing activities. We found that Plymouth Township commingled DOJ equitable sharing funds with other funds within its accounting system and its bank account designated for DOJ equitable sharing receipts. Additionally, we found that Plymouth Township submitted inaccurate annual certification reports. We also identified \$29,792 in questioned costs, which included using equitable sharing funds to pay for civilian salary costs and to purchase items unrelated to the Plymouth Township PD. We questioned an additional \$21,591 in costs that were charged to the equitable sharing program in advance of receiving equitable sharing funds, which is in violation of the Guide.

### **Internal Controls and Program Oversight Assessment**

According to the Guide, the law enforcement agency head (Chief of Police) must authorize all expenditures from the federal equitable sharing account. However, according to the Plymouth Township Chief of Police, he was not involved in every fundamental equitable sharing financial decision until the FY 2015 budgeting process. According to Plymouth Township officials, state of Michigan law requires local municipalities to budget the equitable sharing monies received. As a result, the Plymouth Township governing body, not the police department, prepared a separate budget for the use of DOJ equitable sharing funds with limited involvement from the Plymouth Township PD. While the Chief of Police told us that he has been able to purchase everything he has requested, he did not always know how the equitable sharing funds were being spent. Further, AFMLS staff stated that the creation of a budget for equitable sharing monies by a local governing authority is in violation of the Guide, and that the Chief of Police should be approving all equitable sharing expenditures.

In addition to the Plymouth Township PD's limited involvement in the budgeting process, we found that the Plymouth Township PD claimed that it did not always have readily available access to financial documentation supporting the equitable sharing activities. For instance, the Chief of Police stated that he was not provided with copies of all receipts or invoices for equitable sharing transactions. Therefore, the Chief of Police was unable to confirm whether the items or services were, in fact, for the enhancement of the police department's law enforcement activities. Moreover, the Chief of Police stated that he was not allowed to receive copies of the bank statements associated with the DOJ equitable sharing program. As a result, he could not readily confirm that all equitable sharing distributions were deposited into the appropriate account in a timely manner nor could he ensure that the funds were not being used for other purposes.

During our audit, we found that Plymouth Township and the Plymouth Township PD did not have written policies and procedures for the general management, financial administration, and accounting functions of its federal programs. In our opinion, the lack of documented procedures affected the management of the Plymouth Township PD's equitable sharing program. Moreover, we found that despite their concomitant responsibilities in managing the equitable sharing program, there was a lack of communication between officials from the Plymouth Township Treasurer's Office and the Plymouth Township PD. As a result, the Plymouth Township PD and the Plymouth Township Treasurer's Office staff who were responsible for managing various aspects of the equitable sharing program were unable to ensure compliance with equitable sharing guidelines and were unaware of how their work affected the management of the equitable sharing program as a whole.

We also identified a lack of specificity in the accounting records that prevented prompt identification of posting errors or impermissible procurements because it was not possible to determine the vendor or items purchased without a more in-depth review of supporting documents. Further, Plymouth Township PD staff had not received training on the use of Plymouth Township's accounting software and its capabilities, and as a result, Plymouth Township PD personnel were unaware that they had the ability to view the equitable sharing ledgers and supporting details, which could have provided them with more specific information and the opportunity to be more knowledgeable about equitable sharing program activities. We observed that the Plymouth Township PD support staff did not find the system to be user-friendly and were unable to access the financial information related to the equitable sharing expenditures without assistance from Plymouth Township accounting personnel. During our exit conference in July 2015, Plymouth Township officials told us that it had purchased a new accounting system to replace the existing 22-year old automated accounting system, and that they expected the new system to be fully operational by November 2015.

In our opinion, these weaknesses contributed to numerous program and recordkeeping deficiencies that are discussed throughout this report. We recommend that the Plymouth Township PD, in coordination with Plymouth Township, develop written procedures for the administration of DOJ equitable sharing activities, including defining the roles of Plymouth Township employees. These procedures should appropriately include the Plymouth Township PD throughout the process, including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.

### **Accounting for Equitably Shared Resources**

The Guide requires that all participating state and local law enforcement agencies implement standard accounting procedures to track equitably shared revenues and property. Additionally, DOJ equitable sharing funds must be accounted for separately from any other funds. We reviewed equitable sharing receipts to determine if the funds were properly accounted for and deposited, and

we reconciled the agency’s accounting records to DOJ records of equitable sharing funds provided to the agency.

The Plymouth Township PD receives all cash receipts from AFMLS via electronic funds transfer (EFT) from the USMS’s E-share program, and funds are deposited directly into the Plymouth Township’s DOJ asset forfeiture account.<sup>6</sup> According to the Plymouth Township Treasurer, this bank account is supposed to be used solely for DOJ asset forfeiture funds. The Plymouth Township Treasurer’s Office also maintains separate subsidiary ledgers for recording all accounting transactions related to each equitable sharing funding source (state or federal). Whenever the Plymouth Township PD is going to receive equitable sharing funds, the USMS sends an e-mail to the Plymouth Township Chief of Police notifying him of the upcoming receipt.

As shown in Table 1, we determined that from FY 2010 through September 30, 2014, the Plymouth Township PD received DOJ equitable sharing revenues totaling \$1,907,242 to support law enforcement operations. We reviewed all receipts of equitably shared revenues, and we found that the Plymouth Township PD accurately accounted for its deposits of all equitably shared revenues received during these fiscal years in its accounting records. We also confirmed that these monies were deposited into the bank account established for DOJ equitable sharing activity.

**Table 1**  
**Plymouth Township PD Equitable Sharing Receipts**

Fiscal Year	Cash Receipts
<b>2010</b>	\$ 34,521
<b>2011</b>	318,077
<b>2012</b>	1,532,197
<b>2013</b>	17,451
<b>2014</b>	4,996
<b>Total</b>	<b>\$1,907,242</b>

Source: Consolidated Asset Tracking System (CATS) Report

Although we confirmed that all equitable sharing distributions were deposited via EFT into the Plymouth Township’s DOJ equitable sharing bank account, we found that these were not the only monies deposited into this account even though Plymouth Township officials informed us that this account was solely dedicated to DOJ equitable sharing revenues. We identified numerous other receipts totaling \$369,047 that were mistakenly deposited into this account. We also noted that the DOJ equitable sharing ledger included non-DOJ equitable sharing receipts. According to the Plymouth Township Treasurer, the Plymouth Township PD received payments from other funding sources, including the Organized Crime Drug Enforcement Task Force (OCDETF) Program, the High Intensity Drug Trafficking Areas (HIDTA) Program, and the Western Wayne Criminal Investigation’s (WWCI)

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<sup>6</sup> E-share notification is the process of electronic payment from the USMS. Participation in the process is mandatory.

Inter-local Agreement. These receipts were to cover overtime costs of sworn law enforcement personnel dedicated to those programs. However, the Plymouth Township Treasurer stated that when the Plymouth Township PD directed other agencies to make deposits into the DOJ equitable sharing bank account, the Plymouth Township PD did not inform the Plymouth Township Treasurer's Office of additional funding sources (besides DOJ equitable sharing funds) that were being deposited into the account. As a result, the Plymouth Township Treasurer's Office incorrectly coded the receipts as DOJ equitable sharing funds.

In addition to Plymouth Township's DOJ equitable sharing bank account and ledger containing non-DOJ equitable sharing receipts, we found that certain funds associated with DOJ equitable sharing activities were not deposited into the DOJ equitable sharing bank account in a timely manner. Plymouth Township entered into an agreement with an automotive manufacturer in which the automotive manufacturer would provide rebates on police vehicles purchased by Plymouth Township. Plymouth Township purchased the vehicles at full price using equitable sharing funds, and in turn, the automotive manufacturer issued rebate checks to Plymouth Township. In June 2012, the automotive manufacturer issued a check for \$96,506 representing the rebate associated with purchases of four police cars made in March 2012 and April 2012. However, we found that this \$96,506 was not deposited into the DOJ equitable sharing bank account within a reasonable period after receipt. According to the Plymouth Township Treasurer, this particular rebate had been inadvertently deposited into the bank account established for state forfeiture activity. Based upon our review of the bank statements, we found that Plymouth Township did not transfer this rebate into the DOJ equitable sharing bank account until September 2014, about 2 years and 3 months later, and that the amount transferred was only \$82,788 of the \$96,506. The Plymouth Township Treasurer stated that he only transferred \$82,788 into the DOJ equitable sharing bank account because the DOJ equitable sharing bank account contained \$13,718 from other federal grants and programs, as well as state forfeiture funds that should not have been deposited into that account. As a result, he considered that money to now be DOJ equitable sharing funds, which when coupled with the transfer of \$82,788 accounts for the entire \$96,506 vehicle rebate.

As mentioned previously, the Chief of Police told us that he was not allowed to receive copies of the bank statements associated with the DOJ equitable sharing program, and therefore, he could not ensure that the equitable sharing funds were being appropriately handled. Given the issues identified with our review of the DOJ equitable sharing bank account and the Chief of Police not being provided copies of the bank statements, we are concerned with the handling and management of the equitable sharing funds received. As a result, we believe that the Plymouth Township PD, in coordination with Plymouth Township, needs to establish written procedures to ensure only DOJ equitable sharing receipts are deposited into the DOJ equitable sharing bank account and recorded in the DOJ equitable sharing ledger, as well as to establish a process to routinely examine both the bank account and ledger to promptly correct any incorrect deposits or postings.

Moreover, we observed that the DOJ equitable sharing bank account was not collateralized even though funds on hand exceeded \$250,000 between April 2012 and September 2014. This occurred because the Plymouth Township Treasurer's Office believed it was required by state of Michigan law to self-insure funds. However, we noted that the law had changed and left the decision on whether to collateralize accounts up to the local municipality. In our opinion, Plymouth Township unnecessarily put itself and the equitable sharing funds at risk of loss by not collateralizing the DOJ equitable sharing bank account. While not a formal recommendation, we suggest that Plymouth Township collateralize its non-FDIC insured deposits in excess of \$250,000 as a best practice.

### **Federal Equitable Sharing Agreements and Annual Certification Reports**

The Guide requires that any state or local law enforcement agency that receives forfeited cash, property, or proceeds because of a federal forfeiture submit an annual certification report. The submission of this form is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request(s). The certification report must be submitted every year within 60 days after the end of the agency's fiscal year regardless of whether funds were received or maintained during the fiscal year. In addition, the head of the law enforcement agency and a designated official of the local governing body must sign the certification report. By signing the form, the signatories agree to be bound by the statutes and guidelines that regulate the equitable sharing program and certify that the law enforcement agency will comply with these guidelines and statutes.

As part of our audit, we reviewed the methods by which the Plymouth Township PD and the Plymouth Treasurer's Office prepared its annual certification reports. The Chief of Police stated he prepared the FY 2010 through FY 2012 certification reports based on what the Plymouth Township Treasurer told him the amounts per line item should be. The Chief of Police stated that although he requested that the Plymouth Township Treasurer provide a copy of the supporting documents and bank statements, the Plymouth Township Treasurer did not provide these items to the police department. The Chief of Police stated that he was only allowed to look at supporting documentation in the Plymouth Township Treasurer's office. The Chief of Police also acknowledged that he did not understand how some of the expenditure totals provided by the Plymouth Township Treasurer were computed and that the expenditure totals included additional charges for which he had no prior knowledge. The Chief of Police stated that he signed the certification reports and sent them to the Plymouth Township Supervisor for signature. The Chief of Police stated that he was concerned with the accuracy of the expenses reported on the certification reports. For example, he referred to the resubmission of the amended FY 2012 certification report in which the expenses were greater than those originally reported, while his understanding was that the expenses should have been less than those originally reported. Due to his concern with the accuracy of reported expenditures, the Chief of Police did not sign the amended FY 2012 certification report. In addition, he stated that he refused to prepare or sign the FY 2013 report until he gained an understanding of the data being

submitted. The Chief of Police stated that the Plymouth Township Treasurer prepared the FY 2013 certification report on behalf of the Plymouth Township PD without providing to the police department a copy of the bank statements or supporting documents for the expenditures listed.

We reviewed the annual certification reports and found that the Plymouth Township PD certification reports for FYs 2010, 2011, and 2012 were submitted on time and signed by the appropriate officials. However, the amended FY 2012 report was not signed by the Police Chief, and the FY 2013 report was submitted 3 months late and was lacking the Police Chief's signature.

We also reviewed the annual certification reports for accuracy and completeness. We found that the reports for FY 2010 through FY 2013 accurately reflected the equitable sharing funds received. However, we found that the expenditures reported on the certification reports did not always agree with the costs reflected in Plymouth Township's equitable sharing ledger. While the total expenses reflected in the FY 2013 report agreed with the ledger, the certification reports for FY 2010 through FY 2012 understated the amount of equitable sharing expenditures as compared to the costs recorded in the ledgers. For example, the FY 2011 certification report stated that the Plymouth Township PD spent \$186,507 in equitable sharing funds, while the equitable sharing ledger indicated that \$196,769 in costs were incurred during FY 2011. Similarly, the FY 2012 equitable sharing ledger contained an additional \$6,870 in expenditures that were not reflected on the certification report, and neither of these amounts agreed with the amount of equitable sharing expenditures reported in the Single Audit Report.<sup>7</sup> Further, we found that the FY 2013 certification report's beginning balance (\$1,132,825) was not consistent with the amended FY 2012 certification report's ending balance (\$1,163,568).

In addition, the reported amount of interest earned on equitable sharing funds, as indicated on the certifications for all years we reviewed, was incorrect. While the preponderance of monies in the DOJ equitable sharing bank account were indeed funds received from the DOJ equitable sharing program, as previously discussed, funds from several other sources were commingled in this bank account. Although interest income reported on the certifications generally agreed with the total interest income earned by the DOJ equitable sharing bank account, the base amount of funds on which that interest was calculated by the bank included non-equitable sharing monies.

We recommend that Plymouth Township, in conjunction with the Plymouth Township PD, develop written procedures to ensure the annual certification reports are timely and accurately prepared and submitted, and that the DOJ equitable sharing ledger only reflects those expenditures paid for with DOJ equitable sharing

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<sup>7</sup> In FY 2012, Plymouth Township PD purchased four vehicles. On the annual certification report, Plymouth Township PD offset the cost of the vehicles with the rebate money associated with those purchases. Therefore, for purposes of our comparison, we also offset the vehicle rebate money against the expenditures recorded in the ledger and determined that the ledger still reflected more costs than indicated on the annual certification report.

funds. We also recommend that the Plymouth Township PD, working with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect those expenditures paid for with DOJ equitable sharing funds. Further, we recommend that the Plymouth Township PD, working with the Plymouth Township Treasurer's Office, reconcile the bank account activity and properly allocate interest to the different sources of funds. Once the Plymouth Township PD and Treasurer's Office have resolved the accuracy of the ledgers and properly computed the interest income associated with DOJ equitable sharing funds, the Plymouth Township PD should submit revised certification reports, if necessary, for FY 2010 through FY 2013.

### **Use of Equitably Shared Resources**

The Guide requires that equitable sharing funds received by state and local agencies be used for law enforcement purposes, and that these agencies use the funds prudently to avoid any appearance of extravagance, waste, or impropriety. However, under certain circumstances, up to 15 percent of the total equitable sharing revenues the agency received in the last 2 fiscal years may be used for the costs associated with nonprofit community-based programs or activities, such as drug abuse treatment, drug and crime prevention education, and housing and job skills programs. Law enforcement agencies can also transfer cash to another law enforcement agency. The Plymouth Township PD did not transfer any equitable sharing funds to other state or local law enforcement agencies nor did it transfer funds to community-based programs. Instead, the Plymouth Township PD generally used its equitable sharing funds to pay for sworn personnel costs and other costs associated with the police department, including firearms, police vehicles, and computers.

At the start of our audit, Plymouth Township officials informed us that they had identified certain equitable sharing transactions that were unrelated to the Plymouth Township PD and that these transactions were removed from the equitable sharing ledger. Specifically, Plymouth Township had used equitable sharing funds amounting to \$293 for a truck rental associated with a non-police department event and \$3,272 for conference room chairs for the Plymouth Township Hall. While we were able to confirm that these transactions were removed from the equitable sharing ledger, we were unable to readily identify a corresponding redeposit of those funds back into the DOJ equitable sharing bank account. The Plymouth Township Treasurer told us that the funds had been redeposited into the DOJ equitable sharing bank account, and that the redeposit was combined with other transactions. This situation provides another example of our concern with the handling and management of the equitable sharing funds received.

### *Sworn Personnel Expenditures*

We tested \$483,217 in sworn personnel transactions that were charged to the equitable sharing program between FYs 2010 and 2013 to assess whether these expenditures were allowable under equitable sharing guidelines.

In compliance with the Guide, during FY 2010 through FY 2013 the Plymouth Township Treasurer billed \$295,122 in salary and fringe benefit costs to the equitable sharing program for an officer who was hired to replace an officer assigned to a Drug Enforcement Administration (DEA) task force. The Plymouth Township Treasurer stated that he used the actual year-end payroll statements to determine the amount of equitable sharing funds to use for paying the salary and fringe benefit costs of this officer. Based upon our review of the year-end payroll statements, we determined that the amount of equitable sharing funds used to pay the FY 2012 and FY 2013 fringe benefit costs was more than the actual costs incurred by a total of \$1,327. Therefore, we question \$1,327 as unallowable expenses.

Plymouth Township also used equitable sharing funds to pay for overtime costs of its sworn officers. Besides using DOJ equitable sharing funds to pay for overtime costs, the Plymouth Township PD also received funding from other sources to pay for overtime costs of its sworn officers.<sup>8</sup> We obtained the ledgers that reflected overtime costs paid with equitable sharing funds, the amount of overtime received from other funding sources, and the year-end payroll records for each of the officers whose overtime was paid with equitable sharing funds. We determined that the actual overtime costs incurred exceeded the combined amount of equitable sharing funds used to pay for overtime costs and the other overtime funding sources received. Therefore, the equitable sharing funds used to pay for overtime costs were allowable.

In addition to our analysis of the total overtime costs incurred and the various funding streams used to pay for those costs, we reviewed the timesheets and overtime costs incurred in FY 2013 for two officers to ensure the overtime was allowable, supported, and approved. We concluded that all transactions tested were allowable and contained the proper support and approval. Therefore, we did not identify any questioned costs associated with the equitable sharing funds used to pay for sworn officer overtime costs.

### *Non-Sworn Personnel and Other Expenditures*

We also tested a sample of 32 non-sworn personnel and other transactions totaling \$688,595 to assess whether these expenditures were allowable under

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<sup>8</sup> These other overtime funding sources included the OCDETF Program, the HIDTA Program, WWCI Inter-local Agreement, and miscellaneous overtime paid by various special event venues.

equitable sharing guidelines. The number and amount of transactions we tested are summarized in Table 2.<sup>9</sup>

**Table 2**  
**Sample of Non-Sworn Personnel and Other Expenditures Tested**

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Total Reported Equitable Sharing Expenditures	\$34,859	\$186,507	\$504,125	\$568,901	In Process	<b>\$1,294,392</b>
Amount of Non-Sworn Personnel and Other Expenditures Tested	\$0	\$0	\$214,519	\$396,516	\$77,560	<b>\$688,595</b>
Number of Non-Sworn Personnel Expenditures Tested	0	0	16	11	5	<b>32</b>

Source: OIG analysis of Plymouth Township PD's accounting records

The Plymouth Township PD did not maintain any of the documentation to support the expenditures. Instead, Plymouth Township retained this supporting documentation, and we reviewed the documents while on-site. Based upon our review, we identified \$28,465 in impermissible or unallowable costs, as described below.

- We found that Plymouth Township purchased door mats for the Plymouth Township PD building, as well as for the Plymouth Township Hall. Although equitable sharing funds should have only been used to pay for the mats in the Plymouth Township PD building, Plymouth Township used \$1,575 in equitable sharing funds to also pay for a mat in the Plymouth Township Hall.
- We identified a miscoded Plymouth Township journal entry for \$4,208, which the Plymouth Township Treasurer stated was erroneously charged to the DOJ equitable sharing account.
- Plymouth Township used \$500 in equitable sharing funds to pay for a detective's work attire (consisting of men's dress shirts, dress pants, denim pants, and other clothing items), and the clothing purchased was not strictly for law enforcement use.
- Plymouth Township used equitable sharing funds to pay for the personnel costs of civilian employees who are responsible for providing information technology services for all Plymouth Township departments. According to Plymouth Township officials, they believed it was appropriate to use equitable sharing funds to pay for the amount of time these employees spent setting up computer equipment purchased with equitable sharing funds and, in turn, assisting Plymouth Township PD personnel with the new equipment. However, these officials also told us that they do not separately pay for these particular employees' personnel costs from other individual department

<sup>9</sup> Details on our sampling methodology can be found in Appendix 1. The exact expenditure amounts may be greater or less than the amounts shown due to rounding.

budgets based upon the amount of time they spend helping those departments. Therefore, we question \$22,182 as unallowable costs.

#### *Other Unallowable Costs*

The Guide states that agencies should not budget anticipated receipts nor commit to the spending of equitable sharing monies for a certain purpose in advance of receiving equitable sharing distributions. However, we found that between January 2011 and April 2011, Plymouth Township recorded certain sworn replacement officer salary, equipment, and canine-related expenditures totaling \$21,591 as being associated with the equitable sharing program, but Plymouth Township had not yet received equitable sharing receipts to pay for those expenditures. As a result, we are questioning \$21,591 as unallowable costs.

We also identified issues with the handling of costs associated with Plymouth Township's dispatch call center (staffed by Plymouth Township personnel), which handles all calls for police and fire department assistance for both the city of Plymouth, Michigan, and Plymouth Township. In 1999, the city of Plymouth and Plymouth Township entered into an agreement wherein the city of Plymouth reimburses Plymouth Township a portion of all costs (e.g., salaries, overtime, equipment) based on a formula associated with usage figures. In FY 2013, Plymouth Township purchased equipment with DOJ equitable sharing funds to upgrade the dispatch call center. Because the city of Plymouth is reimbursing Plymouth Township to cover the costs of the city of Plymouth's use of the dispatch call center, including the equipment paid for with equitable sharing funds, we believe the portion of the reimbursements associated with the upgraded equipment should be returned to the Plymouth Township's DOJ equitable sharing bank account until the cost to upgrade the dispatch center has been fully offset based on its percentage of usage figure. During the exit conference, Plymouth Township officials stated that they agreed that a portion of the reimbursements should be returned to the DOJ equitable sharing bank account. They further told us that the city of Plymouth recently submitted a service payment, and that a portion of this payment was, in fact, placed into the DOJ equitable sharing bank account. However, we were not provided with any supporting documentation. Therefore, we recommend that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased and ensure that this amount is returned to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.

#### *Use of Equitable Sharing Property*

The Guide requires that any forfeited tangible property transferred to a state or local agency for official use must be used for law enforcement purposes only. Further, vehicles and other tangible property transferred for official law enforcement use must be used accordingly for at least 2 years. However, if the property becomes unsuitable for such stated purposes before the end of the 2-year

period, it may be sold with approval from AFMLS, and the proceeds are to be deposited in the agency's DOJ equitable sharing revenue account. During our review period, the Plymouth Township PD had not received any tangible property from the equitable sharing program.

### **Compliance with Audit Requirements**

The Guide requires the Plymouth Township PD to comply with audit requirements of the Single Audit Act and Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133). OMB Circular A-133 requires non-federal entities to prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements, provided that they have expended \$500,000 or more in federal funds in a given year. The Schedule of Expenditures of Federal Awards is included within the entity's Single Audit Report.

To determine if the Plymouth Township PD accurately reported DOJ equitable sharing fund expenditures on its Schedule of Expenditures of Federal Awards, we reviewed the Plymouth Township PD's accounting records and Plymouth Township Single Audit Report for FY 2012.<sup>10</sup> Although the FY 2012 Single Audit Report included DOJ equitable sharing expenditures, we found that the amount reported (\$500,256) differed from the total expenditures reflected in the ledger (\$510,995) as well as on the FY 2012 certification report (\$504,124).

Plymouth Township's FY 2012 Single Audit Report disclosed three internal control weaknesses that potentially affect the Plymouth Township PD's administration of equitable sharing funds. The report identified that Plymouth Township did not perform documented bank reconciliations. In addition, the report stated Plymouth Township did not institute a system to prevent noncompliance or to detect and correct noncompliance in a timely manner, which the report indicated was due to the federal equitable sharing requirements being new to Plymouth Township. It also noted that the bank account commingled equitable sharing revenue with funds from other sources; and because of the commingling, the annual certification reports were inaccurate and needed to be amended.

During our review, we determined that documented bank reconciliations were now being performed by the Plymouth Township Treasurer and verified by the Plymouth Township Clerk, and that an amended certification report for FY 2012 had been filed prior to our audit. However, we noted that the amended certification report still did not agree with the accounting records or the amounts reflected in the FY 2012 Single Audit Report, and it was not signed by the Police Chief. Moreover, while Plymouth Township had a bank account that was intended to be used solely for DOJ equitable sharing activities, we confirmed that in October 2014 Plymouth Township created another bank account for DOJ equitable sharing activities with the intent to resolve the commingling that had been occurring in the prior bank account. Lastly, while Plymouth Township had obtained a copy of the

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<sup>10</sup> FY 2012 was the first year within our review period in which Plymouth Township expended more than \$500,000 in federal funds and, thus, required a Single Audit.

Guide, it had not established procedures to ensure compliance with the policies and procedures articulated within the Guide, and no staff in the police department or the Township had received additional training in equitable sharing or federal grant requirements. We believe that, at a minimum, appropriate staff at the Plymouth Township PD and Plymouth Township should receive training on equitable sharing requirements.

### **Monitoring Applications for Transfer of Federally Forfeited Property**

An agency must complete a Form DAG-71 when requesting its portion of equitable sharing funds.<sup>11</sup> According to the Guide, all participating agencies should maintain a DAG-71 log of all sharing requests that consecutively numbers the requests and includes information for each request such as the seizure type, seizure amount, share amount requested, amount received, and date received. In addition, the Guide requires that the DAG-71 log be updated when an E-share notification is received. These DAG-71 log requirements were effective at the time of our fieldwork. However, in July 2015 AFMLS advised state and local law enforcement agencies that they no longer needed to maintain a DAG-71 log.

The Plymouth Township PD received its DOJ equitable sharing funds through its involvement with a local drug task force. During our review period, the Plymouth Township PD had one officer assigned to a DEA task force, and this officer was responsible for directly submitting the DAG-71s to the DEA. The Chief of Police was provided with copies of the DAG-71s and was responsible for updating the DAG-71 log.

We compared the receipts reflected in the DAG-71 log to those contained in the USMS's EFT report for our review period. As a result of our review, we found that the DAG-71 log contained inaccurate or incomplete information. For example, we found three equitable sharing requests that had not been recorded in the DAG-71 log. We also found that while three additional equitable sharing requests were initially recorded in the log, the Plymouth Township PD failed to record the funds that had been transmitted in FY 2011. We also determined that in two instances, the DAG-71 log contained different amounts than were reflected on the USMS's EFT report. Additionally, the Chief of Police stated that since FY 2012, he had not been updating the log with the date and amount of equitable sharing funds received because he was not receiving E-share notifications of receipts for FY 2013 or FY 2014.

Both the Plymouth Township Chief of Police and Treasurer subsequently obtained access to the USMS E-share website. The Chief of Police stated that the errors and omissions were an oversight on his part that occurred because he had more than one version of the DAG-71 log. During our review, the Chief of Police stated that he deleted extraneous versions of the DAG-71 log. Subsequently, the Chief of Police provided an updated log that adequately accounted for all of the

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<sup>11</sup> The Form DAG-71, Application for Transfer of Federally Forfeited Property (DAG-71), is the DOJ form submitted by a state or local agency to the federal seizing agency to request a share of seized assets.

receipts during our review period. However, we noted that not all of the other required log elements, such as the amount awarded or date received, had been corrected. As mentioned, as of July 2015, state and local law enforcement agencies are no longer required to maintain a DAG-71 log. As a result, we do not recommend any actions be taken on the issues we identified during our fieldwork regarding the requirements in effect at that time.

### *Supplanting*

The Guide requires that shared resources be used to increase or supplement the resources of the recipient agency and prohibits the use of shared resources to replace or supplant the appropriated resources of the recipient. To test whether equitable sharing funds were used to supplement rather than supplant local funding, we interviewed local officials, reviewed the Plymouth Township PD's budgets for FY 2005 through FY 2015, and sampled FY 2010 through September 2014 expenditures.

Through our review of the Plymouth Township PD's budget documents, we found that the Plymouth Township PD's total budgeted appropriations decreased during FYs 2009, 2010, and 2011. Local officials attributed these decreases to the national economic downturn during that time period. Since that time, the total appropriated amounts for the Plymouth Township PD have steadily increased overall from one fiscal year to the next and are almost back up to pre-2009 levels.

However, we noted that during FY 2010 through FY 2013 (the time period since Plymouth Township PD first began receiving equitable sharing funds in 2010), the Plymouth Township PD never expended its entire amount of appropriated funds, yet it used equitable sharing funds to pay for additional expenses during that time period.<sup>12</sup> Upon further review, we found that the Plymouth Township PD did not expend its appropriated funds during the 5 years preceding its participation in the DOJ equitable sharing program. Therefore, we do not take exception to this circumstance. Further, although our review raised questions regarding Plymouth Township's offset practices as previously discussed related to vehicle rebates and dispatch center fees, our testing of the sampled expenditures did not reveal any material evidence of supplanting.

While we did not identify any indications that Plymouth Township used DOJ equitable sharing funds to supplant the Plymouth Township PD's overall budget, we are concerned that conditions in Plymouth Township increases the risk of supplanting. For instance, according to the annual certification reports, one of Plymouth Township PD's major cost categories in the expenditure of equitable sharing funds is overtime. We found that Plymouth Township significantly reduced the amount of local funds budgeted for overtime in FYs 2013 to 2015 when compared to what had been budgeted during FY 2008 through FY 2012, as displayed in Table 3. With the exception of FY 2010, Plymouth Township had budgeted between \$80,000 and \$100,000 for overtime in FYs 2008 to 2012.

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<sup>12</sup> FY 2014 had not ended at the time of our review.

However, in FY 2013 the amount of local funds budgeted for overtime was reduced to \$35,000. As shown in Table 3, this reduction came on the heels of Plymouth Township’s use of only \$7,856 of the \$95,000 budgeted in local funds for overtime in FY 2012. That year, Plymouth used nearly \$80,000 in equitable sharing funds to pay overtime costs, compared with \$35,000 the previous year.

**Table 3**  
**Historical Comparison of Budgeted and Paid Overtime**

<b>Fiscal Year</b>	<b>Total PD Budget</b>	<b>Overtime PD Budget</b>	<b>Township-Paid Overtime</b>	<b>Equitable Sharing- Paid Overtime<sup>a</sup></b>
2008	\$4,105,016	\$100,000	\$117,925	0
2009	3,861,057	80,000	66,675	0
2010	3,791,025	60,000	63,177	0
2011	3,636,052	83,000	50,449	35,000
2012	3,695,522	95,000	7,856	79,706
2013	3,753,961	35,000	27,115	73,389
2014	3,885,132	35,000	In process during review	Not yet filed
2015	3,906,716	35,000	--	--

<sup>a</sup> The Plymouth Township PD joined the equitable sharing program in FY 2008 and began receiving equitable sharing funds in FY 2010. The Plymouth Township PD began using equitable sharing funds for overtime expenses in FY 2011.

Source: Plymouth Township Treasurer’s Office and Police Department

In addition to the changes in the handling of overtime costs, Plymouth Township informed us that state of Michigan law requires it to budget for the expenditure of funds, regardless of source, and this would include equitable sharing funds. We believe that these conditions, along with Plymouth Township’s historical spending trends wherein locally appropriated funds are not fully expended, increase the risk of supplanting. As noted in the Guide, equitable sharing funds should be used to supplement and not supplant local funding. We recommend that the Criminal Division remind Plymouth Township officials, including the Chief of Police, of the non-supplanting requirement specified in the Guide.

**Views of Responsible Officials**

We discussed the results of our review with officials from the Plymouth Township PD and the Plymouth Township governing body throughout the audit and at a formal exit conference. Their input on specific issues has been included in the appropriate sections of the report.

**Recommendations**

We recommend that the Criminal Division:

1. Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth

Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.

2. Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.
3. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.
4. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.
5. Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.
6. Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly paid for with equitable sharing funds.
7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.
8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.
9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.
10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also

ensure that they establish a process to appropriately account for future reimbursements received.

11. Require personnel at Plymouth Township and the Plymouth Township PD to receive, at a minimum, training on administering equitable sharing funds.
12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.

## 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, appropriate, evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objective.

### Objective

The objective of this audit was to assess whether equitably shared cash and property received by the requesting agency were accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines. We tested compliance with the conditions of the DOJ equitable sharing program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including:

- Guide to Equitable Sharing for State and Local Law Enforcement Agencies, dated April 2009; and
- OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, revised June 2003.

Unless otherwise stated in our report, the criteria we audited against are contained in these documents.

### Scope and Methodology

Our audit concentrated on, but was not limited to, equitable sharing receipts received by the Plymouth Township PD from January 1, 2010, through September 30, 2014. During that period, the Plymouth Township PD received a total of \$1,907,242 and reported expenditures of \$1,294,392 in equitable sharing funds.<sup>13</sup> We performed audit work mainly at the Plymouth Township PD located in Plymouth Township, Michigan. We interviewed Plymouth Township PD and Plymouth Township officials and examined their records of federal asset forfeiture revenues and expenditures of DOJ equitable sharing funds.

We judgmentally determined which transactions had the potential of being high-risk and selected a sample that contained the highest dollar transactions for each fiscal year. This non-statistical sample design does not allow for the projection of test results to all disbursements. Specifically, we selected 32 non-sworn personnel items totaling \$688,595. We also reviewed salary, fringe benefit, and overtime costs totaling \$483,217. In total, we reviewed \$1,171,812. In addition, we relied on computer-generated data contained in DOJ CATS and the

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<sup>13</sup> The amount of expenditures is based upon the annual certification reports. Because the FY 2014 certification report had not been filed at the time of fieldwork, the \$1,294,392 comprises what was reported as being expended during FY 2010 through FY 2013.

USMS EFT systems for determining equitably shared revenues and property awarded to the Plymouth Township PD during the audit period. We did not establish the reliability of the data contained in these systems as a whole. However, when the data used is viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations included in this report are valid.

In planning and performing our audit, we considered internal controls established and used by the Plymouth Township PD and the Plymouth Township Treasurer's Office in managing the DOJ equitable sharing program. We did not assess the reliability of the Plymouth Township PD's financial management system or the internal controls of that system. Moreover, we did not assess internal controls and compliance with laws and regulations for the Plymouth Township government as a whole.

Our audit included an evaluation of the Plymouth Township's Single Audit Report for FY 2012.<sup>14</sup> The Single Audit Report was prepared under the provisions of OMB Circular A-133. We found that the independent auditor's assessment for FY 2012 disclosed three internal control weaknesses that potentially affected the Plymouth Township PD's administration of equitable sharing funds. These weaknesses specifically identified that Plymouth Township did not document bank reconciliation reviews; lacked compliance with federal regulations; and commingled equitable sharing revenue with funds from other sources, which, in turn, resulted in inaccurate annual certification reports. We have addressed these weaknesses in our report as they relate to the Plymouth Township PD equitable sharing program.

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<sup>14</sup> The Single Audit Report for FY 2013, due September 30, 2014, had not been filed as of June 2015. The Single Audit Report for FY 2014 is not yet due.

### SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount	Page
Questioned Costs <sup>15</sup>		
Unallowable Fringe Benefit Costs in Excess of Actual Costs Incurred:	\$ 1,327	11
Unallowable Purchase of Plymouth Township Hall Mat:	1,575	12
Unallowable State Forfeiture Related Expenditures:	4,208	12
Unallowable Non-Law Enforcement Specific Uniforms:	500	12
Unallowable Plymouth Township Civilian Personnel Costs:	22,182	12
Unallowable Expenditures Incurred in Advance of the Receipt of Sufficient Equitable Sharing Funds:	21,591	13
	<u>\$51,383</u>	
<b>Net Questioned Costs</b>	<b>\$51,383</b>	
<hr/>		
<b>Total Net Dollar-Related Findings</b>	<b>\$51,383</b>	

<sup>15</sup> **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.

**AUDITEE RESPONSE**



**Plymouth Township Police Department**

Chief of Police  
Thomas Tiderington  
9955 Haggerty Drive \* Plymouth, MI 48170

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September 15, 2015

Carol S. Taraszka  
Regional Audit Manager  
Chicago Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
500 W. Madison Street, Suite 1121  
Chicago, Illinois 60661

Dear Ms. Taraszka,

The Plymouth Township Police Department has reviewed the draft audit report on the use of Equitable Sharing Funds for the years 2010 thru 2014. The audit concluded that Plymouth Township and the Plymouth Township Police Department substantially complied with the equitable sharing governing guidelines. However, some weaknesses and deficiencies were identified and documented in the draft audit report.

The Police Department and the Township understand the assertions made with respect to the recommendations made by your office to the Criminal Division within the Department of Justice. The Plymouth Township Police Department will work closely with the Township's Treasurer's Office and the Asset Forfeiture and Money Laundering Section (AFMLS) to correct, amend and rectify the concerns identified in the draft report.

Since some of the noted recommendations deal specifically with the financial accounting of these funds, which are predominantly outside of the Police Department's management and control, I have worked with Treasurer Edward's to provide a detailed explanation and specific responses to the recommendations (please see attachment).

On behalf of the Plymouth Township Police Department I want to thank you and your staff for your guidance with this matter. The Plymouth Township Community has greatly benefitted from our continued partnerships with the Department of Justice. We strive for continual improvement and value your assistance with this matter.

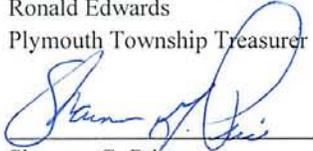
Sincerely,



Thomas J. Tiderington  
Chief of Police



Ronald Edwards  
Plymouth Township Treasurer



Shannon G. Price  
Plymouth Township Supervisor

**Charter Township of Plymouth  
Responses to DOJ Audit:**

**1. Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.**

**Response to Recommendation:**

We agree that there should be formal written policies and procedures for the administration of Federal Equitable Sharing Funds. Further, we believe the procedures should allow for police personnel to view all supporting documentation. Additionally, we are implementing a new financial software program that will be more user friendly and training will be provided.

**2. Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.**

**Response to Recommendation:**

We agree that only Federal Equitable Sharing Fund activity should be accounted for in the Federal Equitable Sharing fund (fund 265). While errors could occur from time to time, the Township will institute policies for police department personnel to review the general ledger activity quarterly and inform the accounting department of any activity that is missing or that is not properly related to Federal Equitable Sharing Funds.

**3. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.**

**Response to Recommendation:**

The procedures mentioned above will include a procedure for the police department to receive the necessary supporting financial documentation to complete the Federal Equitable Sharing Funds and Certification Report within 45 days after year end, and request a review by accounting personnel before it is submitted.

**4. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.**

**Response to Recommendation:**

Within 60 days, we will review the activity from 2010 through 2014 and submit certification reports for those years. This review will include an evaluation of interest income that may be more appropriate to allocate to other activities, based on cash from other activities that had been included in the Federal Equitable Sharing Fund bank account erroneously.

**5. Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.**

**Response to Recommendation:**

In performing the review indicated in #4 above, we will correct the \$1,327 of fringe benefit costs charged in error to the Federal Equitable Sharing Fund.

**6. Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly paid for with equitable sharing funds.**

**Response to Recommendation:**

In performing the review indicated in #4 above, we will correct the \$1,575.00 of the Federal Equitable Sharing Funds used to purchase a Township Hall mat. The \$4,208.00 was not charged and will not be included in the detail in cost in #4 above.

**7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.**

**Response to Recommendation:**

The Township believes the \$500 was acceptable under the contract fringe benefits and guidelines; however, the Township will exclude the item from #4 above from allowable costs.

**8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.**

**Response to Recommendation:**

The Township believes that the audit's assertion that salary costs of civilian employees are unallowable seems to be a very narrow interpretation. Section VIII.A.1.d of the Guide clearly allows costs associated with the installation and/or purchase & operations of equipment. The Township could have paid a vendor to install the newly purchased IT equipment and provide training, but chose to use internal personnel to save costs.

The Township is able to support the IT installation time incurred and the cost of the labor. We continue to believe that this should be an allowable cost, despite the fact that other individual departments do not pay for these costs. From a budgeting perspective, allocating out IT department costs to all departments seems to be a significant effort with no return, since all other departments are essentially funded from the same resource - property taxes. In the future the Township will call AFMLS for guidance and authorization before billing any internal labor cost to the Federal Equitable Sharing Fund.

**9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.**

**Response to Recommendation:**

In performing the review indicated in #4 above, we will evaluate whether any costs incurred prior to receiving funds were charged to the Federal Equitable Sharing Fund program. No such costs will be included in the amended list of costs to be charged to the program.

**10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.**

**Response to Recommendation:**

The Township has calculated the portion of the call center being reimbursed by the City of Plymouth as part of the dispatch center agreement, and will determine going forward that any amounts received will be credited to the Federal Equitable Sharing Fund program. The review indicated in #4 above will ensure that any such reimbursements received have been credited to the Federal Equitable Sharing Fund program.

**11. Require personnel at Plymouth Township and the Plymouth Township Police Department to receive, at a minimum, training on administering equitable sharing funds.**

**Response to Recommendation:**

The procedures discussed in item #1 above will include training for administering Federal Equitable Sharing funds.

**12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.**

**Response to Recommendation:**

The Township is aware of the rules regarding supplementing and not supplanting.

## U.S. DEPARTMENT OF JUSTICE RESPONSE



U.S. Department of Justice

Criminal Division

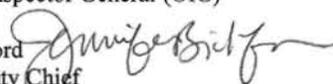
Asset Forfeiture and Money Laundering Section

Washington, D.C. 20530

SEP 16 2015

**MEMORANDUM**

TO: Carol S. Taraszka  
Regional Audit Manager  
Chicago Regional Audit Office  
Office of the Inspector General (OIG)

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

SUBJECT: Draft Audit Report for the Plymouth Township Police Department's Equitable Sharing Program Activities

In a memorandum to Assistant Attorney General Leslie R. Caldwell dated August 26, 2015, your office provided a draft audit report for the Plymouth Township Police Department (PTPD), which included actions necessary for closure of the audit report findings. The following is a list of recommendations pertaining to the draft audit report for PTPD's equitable sharing program activity:

**Recommendations:**

1. **Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guideline governing the program.**

AFMLS concurs with recommendation one. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and ensure that PTPD establishes written procedures for the use of DOJ equitable sharing funds.

2. **Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.**

AFMLS concurs with recommendation two. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and ensure that the Plymouth Township establishes procedures to ensure that DOJ equitable sharing funds are accounted for on a separate account and that reporting errors are corrected on a timely manner.

3. **Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.**

AFMLS concurs with recommendation three. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and ensure that PTPD and Plymouth Township establishes procedures to ensure that ESAC forms are submitted on a timely manner and that the general ledger only reflects expenditures of DOJ equitable sharing funds.

4. **Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.**

AFMLS concurs with recommendation four. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions to ensure that PTPD and Plymouth Township perform a review of the DOJ equitable sharing account to determine the correct balance of sharing funds, correct the general ledger, and submit amended ESACs.

5. **Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.**

AFMLS concurs with recommendation five. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$1,327.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditures.

6. **Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly**

**paid for with equitable sharing funds.**

AFMLS concurs with recommendation six. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$5,783.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditure.

**7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.**

AFMLS concurs with recommendation seven. Upon issuance of the final audit report, AFMLS will require reimbursement for the impermissible expenditure.

**8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.**

AFMLS concurs with recommendation eight. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$22,182.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditure.

**9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.**

AFMLS concurs with recommendation nine. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$21,591.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditure.

**10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.**

AFMLS concurs with recommendation ten. Upon issuance of the final audit report, AFMLS will work with the agency to ensure the proper reimbursement occurs. Additionally, AFMLS will ensure that Plymouth Township PD and Treasurer's Office establish a process to account for future reimbursements.

**11. Require personnel at Plymouth Township and the Plymouth Township PD to receive, at a minimum, training on administering equitable sharing funds.**

AFMLS concurs with recommendation eleven. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions for providing training to personnel administering DOJ equitable sharing funds.

**12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.**

AFMLS concurs with recommendation twelve. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and remind Plymouth Township officials of the non-supplanting requirement.

AFMLS will update the OIG every 180 days on the status of the corrective actions until all recommendations are implemented and corrective actions are completed.

cc: Denise Turcotte, Audit Liaison  
U.S. Department of Justice  
Criminal Division

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

**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 U.S. Department of Justice Asset Forfeiture and Money Laundering Section (AFMLS) and the Plymouth Township Police Department (Plymouth Township PD). The Plymouth Township PD's response letter is incorporated in Appendix 3 of this final report, and AFMLS's response is incorporated in Appendix 4 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. Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD said that it will develop formal written policies and procedures for the management of federal equitable sharing funds, which will include provisions for the Plymouth Township PD to view all supporting documentation. The auditee also said that it was implementing a new financial software program and training would be provided.

In its response, AFMLS stated that it will work with the Plymouth Township PD to implement corrective actions and ensure that the Plymouth Township PD establishes written procedures for the use of DOJ equitable sharing funds.

This recommendation can be closed when we receive a copy of the implemented procedures, once finalized and appropriately distributed, that appropriately account for the administration of DOJ equitable sharing funds, including the involvement of the Plymouth Township PD throughout the process. In addition, the procedures should ensure that the Chief of Police is provided with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.

- 2. Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that it will establish policies so that Plymouth Township PD personnel review the DOJ equitable sharing ledger on a quarterly basis to assess whether the ledger accurately reflects DOJ equitable sharing activities.

In its response, AFMLS stated that it will work with the Plymouth Township PD to ensure the Plymouth Township PD establishes procedures to appropriately account for DOJ equitable sharing funds separately, and to correct reporting errors in a timely manner.

This recommendation can be closed when we receive a copy of the written procedures, once finalized and appropriately distributed, to ensure that the Plymouth Township PD accounts for DOJ equitable sharing activities separately, and evidence that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.

- 3. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that it will establish procedures so that the Plymouth Township PD receives the necessary financial information to complete the certification reports within 45 days following year end. The Plymouth Township PD stated that the procedures will also involve requesting accounting personnel to review the certification report prior to submitting the report to AFMLS.

In its response, AFMLS stated that it will work with Plymouth Township and the Plymouth Township PD to ensure they establish procedures for the timely submission of certification reports. AFMLS further stated that the procedures should ensure that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.

This recommendation can be closed when we receive a copy of the written procedures, once finalized and appropriately distributed, to ensure that the annual certification reports are submitted timely, and that the DOJ equitable sharing ledger only includes DOJ equitable sharing activities.

4. **Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD said that within 60 days, it would review the DOJ equitable sharing activity for FYs 2010 through 2014 and submit amended certification reports. The Plymouth Township PD also stated that during this review, it would also perform an evaluation of interest income and determine whether a portion of the interest income earned should be allocated to other funding sources.

In its response, AFMLS stated that it will work with Plymouth Township and the Plymouth Township PD to ensure that they perform a review of the DOJ equitable sharing account to determine the correct fund balance, correct the general ledger, and submit amended certification reports.

This recommendation can be closed when we receive evidence that Plymouth Township and the Plymouth Township PD have ensured the equitable sharing ledger only reflects DOJ equitable sharing activities. In addition, please provide evidence that Plymouth Township and the Plymouth Township PD reconciled the bank account activity, and that they have appropriately allocated interest income among the various funding sources. Moreover, please provide copies of the amended certification reports for FYs 2010 to 2013 submitted to AFMLS, if necessary, and documentation to support the contents of the amended certification reports.

5. **Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that it will correct the \$1,327 in fringe benefits that were incorrectly paid for with equitable sharing funds.

In its response, AFMLS stated that it will work with the Plymouth Township PD to remedy the \$1,327 in questioned costs and require reimbursement for any impermissible or unsupported expenditures.

This recommendation can be closed when we receive evidence that the Plymouth Township PD has appropriately remedied the \$1,327 in questioned costs.

**6. Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly paid for with equitable sharing funds.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that it will correct \$1,575 for the mat. The Plymouth Township PD further stated that the remaining \$4,208 was not charged and would not be included in the revised analysis provided in response to recommendation 4.

According to documentation provided to the OIG during the audit, this transaction was reflected as an expense within the DOJ equitable sharing ledger. As a result, the Plymouth Township PD will need to provide evidence that this expense was not paid for with DOJ equitable sharing funds.

In its response, AFMLS stated that it will work with the Plymouth Township PD to remedy the \$5,783 in questioned costs and require reimbursement for any impermissible or unsupported expenditures.

This recommendation can be closed when we receive evidence that the Plymouth Township PD has appropriately remedied the \$5,783 in questioned costs.

**7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.**

Resolved. AFMLS concurred with our recommendation. However, in its response, Plymouth Township stated that it believes this \$500 expense is an allowable fringe benefit based upon the police department's contract and equitable sharing guidelines. Despite this position, Plymouth Township said that it will exclude this expense from its equitable sharing expenditures. While we acknowledge that the police department's contract allows for the reimbursement of non-law enforcement specific uniforms for detectives, we do not believe DOJ equitable sharing funds should have been used in this instance. While the Equitable Sharing Guide allows for equitable sharing funds to be spent on law enforcement equipment including uniforms, the Equitable Sharing Guide also states that this equipment should be used to support law enforcement activities. Because the clothing purchased was not strictly for law enforcement use, we questioned these costs.

In its response, AFMLS stated that it will require reimbursement of the impermissible expenditure.

This recommendation can be closed when we receive evidence that the Plymouth Township PD has appropriately remedied the \$500 in questioned costs.

**8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.**

Resolved. AFMLS concurred with our recommendation. However, in its response, Plymouth Township stated that it believes our determination of the expense as being unallowable is based upon a narrow interpretation of the DOJ equitable sharing guidelines. Plymouth Township referred to the portion of the Equitable Sharing Guide that allows costs associated with installation and/or purchase and operations of equipment. Plymouth Township said that it could have used DOJ equitable sharing funds to pay a vendor to install the new equipment and provide training rather than using its internal information technology personnel. Plymouth Township stated that in the future, it will call AFMLS for guidance and authorization before paying for any internal labor costs with DOJ equitable sharing funds.

We disagree with the auditee's characterization of our assessment of this expenditure. Plymouth Township has an Information Technology (IT) Department, which provides IT services to all Township departments. While each of the other departments is able to benefit from IT services without individual charges to the department, Plymouth Township decided to use equitable sharing funds to pay for IT Department staff salaries each time the Plymouth Township PD called for IT services. Using equitable sharing funds for these costs is in violation of interim guidance issued by AFMLS prohibiting salary costs of non-sworn law enforcement. In addition, we do not believe that Plymouth Township should treat costs for IT services provided to the Plymouth Township PD differently than it treats costs for the same services to other Township departments simply because the Plymouth Township PD has money available from other funding sources. The Equitable Sharing Program funds should not be inequitably burdened with charges for IT services simply because the source of revenue is from the federal program rather than taxpayer revenue or other sources.

In its response, AFMLS stated that it will work with the Plymouth Township PD to remedy the \$22,182 in questioned costs and require reimbursement for any impermissible or unsupported expenditures.

This recommendation can be closed when we receive evidence that the Plymouth Township PD has appropriately remedied the \$22,182 in questioned costs.

- 9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.**

Resolved. AFMLS concurred with our recommendation. Although the Plymouth Township PD did not explicitly state whether it concurred with the recommendation, its response indicated that it will evaluate whether any DOJ equitable sharing expenses were incurred prior to having received sufficient DOJ equitable sharing funds. The Plymouth Township PD further stated that any such costs will not be included in the amended list of costs charged to the program.

In its response, AFMLS stated that it will work with the Plymouth Township PD to remedy the \$21,591 in questioned costs and require reimbursement for any impermissible or unsupported expenditures.

This recommendation can be closed when we receive evidence that the Plymouth Township PD has appropriately remedied the \$21,591 in questioned costs.

- 10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that Plymouth Township calculated the portion of the call center being reimbursed by the city of Plymouth. Further, the Plymouth Township PD said that Plymouth Township will determine the portion of the reimbursement amounts received that should be credited to the DOJ equitable sharing account.

In its response, AFMLS stated that it will work with the auditee to ensure that proper reimbursement occurs, and that the Plymouth Township PD and Treasurer's Office establish a process to account for future reimbursements.

This recommendation can be closed when we receive supporting documentation for the determination of the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and evidence that this amount was returned to the DOJ equitable sharing bank account. In addition, please provide evidence that the Plymouth Township PD and Plymouth Township Treasurer have established a process to appropriately account for future reimbursements received.

**11. Require personnel at Plymouth Township and the Plymouth Township PD to receive, at a minimum, training on administering equitable sharing funds.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that the procedures it develops related to Recommendation Number 1 will include training for administering equitable sharing funds. In its response, AFMLS stated that it will work with the Plymouth Township PD to ensure its personnel attend training on administering DOJ equitable sharing funds.

This recommendation can be closed when we receive evidence that Plymouth Township and Plymouth Township PD personnel have attended training on administering federal equitable sharing funds.

**12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.**

Resolved. Both the Plymouth Township PD and AFMLS concurred with our recommendation. In its response, the Plymouth Township PD stated that Plymouth Township indicated it is aware of the rules surrounding supplanting and supplementing. In its response, AFMLS stated that it will remind Plymouth Township and Plymouth Township PD personnel of the non-supplanting requirement.

This recommendation can be closed when we receive evidence that AFMLS reminded Plymouth Township and Plymouth Township PD personnel about the non-supplanting requirement.

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