



Audit of the Fort Wayne Police Department's  
Equitable Sharing Program Activities,  
Fort Wayne, Indiana



22-112

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**SEPTEMBER 2022**

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# EXECUTIVE SUMMARY

## Audit of the Fort Wayne Police Department's Equitable Sharing Program Activities, Fort Wayne, Indiana

### Objective

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) has completed an audit to assess whether equitably shared revenue has been accounted for properly and used for permissible purposes by the Fort Wayne Police Department (Fort Wayne PD). This audit covered the Fort Wayne PD's fiscal years (FY) 2020 and 2021.

### Results in Brief

As a result of our audit, we concluded that the Fort Wayne PD accounted for and used its DOJ equitable sharing funds for permissible purposes. This audit did not identify significant concerns with the Fort Wayne PD's timely recording of DOJ equitable sharing receipts, the allowability of expenditures, or the timely submission of required reports. However, we found that the Fort Wayne PD lacks sufficient equitable sharing-related internal controls, policies, and procedures to help ensure the adequate administration of its DOJ equitable sharing activities. In addition, we identified concerns related to the Fort Wayne PD's property management and the computation of interest income earned on DOJ equitable sharing funds.

### Recommendations

Our report includes four recommendations to assist the DOJ Criminal Division, which oversees the Equitable Sharing Program. Responses to our draft report from the Criminal Division and the Fort Wayne PD can be found in Appendices 2 and 3, respectively. Our analysis of these responses can be found in Appendix 4.

### Audit Results

Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets during certain criminal investigations. According to its records, the Fort Wayne PD began the audit period with a balance of \$832,088 in DOJ equitable sharing funds. During the audit period, the Fort Wayne PD received \$193,491 in equitable sharing receipts and spent \$778,606 in equitable sharing funds, primarily on vehicles, equipment, and software. We found that the Fort Wayne PD's receipts were accurately recorded, expenditures we tested were permissible and supplemented its law enforcement activities, and the Fort Wayne PD timely submitted required reports. However, we identified deficiencies in the Fort Wayne PD's accounting for and use of equitable sharing funds and reporting of financial activity.

#### Accounting for Use of Equitable Sharing Resources

We found that the Fort Wayne PD did not implement sufficient internal controls, policies, and procedures over its DOJ equitable sharing funds to ensure the adequate administration of DOJ equitable sharing funds. For instance, the Fort Wayne PD did not have formal procedures for routinely checking for and reconciling disbursements nor was the Fort Wayne PD documenting the approval of expenditures in accordance with program guidance. We also identified weaknesses in the Fort Wayne PD's property management—including the lack of available inventory records with the designated funding source—and the use of the System for Award Management to determine the eligibility of vendors. Further, we determined that the mechanism used to compute and allocate interest income earned on DOJ equitable sharing funds was flawed.

#### Equitable Sharing Agreement and Certification Reports

The Fort Wayne PD did not have documented procedures to guide the completion of the Equitable Sharing Agreement and Certification (ESAC) reports.

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# Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of the equitable sharing funds received by the Fort Wayne Police Department (Fort Wayne PD) in Fort Wayne, Indiana. The objective of the audit was to assess whether equitably shared revenue has been accounted for properly and used for permissible purposes by the Fort Wayne PD. The audit covered January 1, 2020, through December 31, 2021.<sup>1</sup> During that period, the Fort Wayne PD received \$193,491 and spent \$778,606 in equitable sharing revenues as a participant in the DOJ Equitable Sharing Program.<sup>2</sup>

## DOJ Equitable Sharing Program

The Comprehensive Crime Control Act of 1984 authorized the implementation of the DOJ Asset Forfeiture Program (Asset Forfeiture Program). The Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, issued in July 2018 (2018 Equitable Sharing Guide), describes the Asset Forfeiture Program as a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime. A key element of the Asset Forfeiture Program is the Equitable Sharing Program.<sup>3</sup> The DOJ Equitable Sharing Program allows any state, local, or tribal law enforcement agency that directly participated in an investigation or prosecution resulting in a federal forfeiture to request a portion of federally forfeited cash, property, and proceeds.

Although several DOJ agencies are involved in various aspects of the seizure, forfeiture, and disposition of equitable sharing revenues, three DOJ components work together to administer the DOJ Equitable Sharing Program—the United States Marshals Service (USMS), the Justice Management Division (JMD), and the Criminal Division’s Money Laundering and Asset Recovery Section (MLARS). The USMS is responsible for transferring asset forfeiture funds from DOJ to the receiving state or local agency. JMD manages the Consolidated Asset Tracking System (CATS), a database used to track federally seized assets throughout the forfeiture life cycle. Finally, MLARS tracks membership of state and local participants, updates the DOJ Equitable Sharing Program rules and policies, and monitors the allocation and use of equitably shared funds.

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

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<sup>1</sup> The Fort Wayne PD’s fiscal year begins January 1 and ends December 31.

<sup>2</sup> According to the Fort Wayne PD’s records, it began the audit period with a DOJ equitable sharing fund balance of \$832,088.

<sup>3</sup> The U.S. Department of the Treasury also administers a federal asset forfeiture program, which includes participants from Department of Homeland Security components. This audit was limited to equitable sharing revenues received through the DOJ Equitable Sharing Program.

degree of a state or local agency's direct participation in an investigation determines the equitable share allocated to that agency.

To request a share of seized assets, a state or local law enforcement agency must first become a member of the DOJ Equitable Sharing Program. Agencies become members of the program by signing and submitting an annual Equitable Sharing Agreement and Certification (ESAC) report to MLARS. As part of each annual agreement, officials of participating agencies certify that they will use equitable sharing funds for permissible law enforcement purposes. The 2018 Equitable Sharing Guide outlines categories of permissible and impermissible uses for equitable sharing funds and property.

## **Fort Wayne Police Department**

The Fort Wayne PD is located in Fort Wayne, Indiana, approximately 125 miles northeast of Indianapolis, Indiana. Established in 1829, the Fort Wayne PD serves a population of over 260,000 residents. As of May 2022, the Fort Wayne PD had a workforce of 450 sworn officers and 120 civilian employees. According to MLARS, the Fort Wayne PD has been a member of the DOJ Equitable Sharing Program since at least 1996.

## **OIG Audit Approach**

We tested the Fort Wayne PD's compliance with what we considered to be the most important conditions of the DOJ Equitable Sharing Program to assess whether it accounted for equitable sharing funds properly and used such revenues for permissible purposes. Unless otherwise stated, we applied the 2018 Equitable Sharing Guide as our primary criteria. The 2018 Equitable Sharing Guide provides procedures for submitting sharing requests and discusses the proper use of and accounting for equitable sharing assets. To conduct the audit, we tested the Fort Wayne PD's compliance with the following:

- **Accounting for equitable sharing resources** to determine whether standard accounting procedures were used to track equitable sharing assets.
- **Use of equitable sharing resources** to determine if equitable sharing cash and property were used for permissible law enforcement purposes.
- **Equitable Sharing Agreement and Certification Reports** to determine if these documents were complete and accurate.
- **Compliance with audit requirements** to ensure the accuracy, consistency, and uniformity of audited equitable sharing data.

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

# Audit Results

## Accounting for Equitable Sharing Resources

The 2018 Equitable Sharing Guide requires that law enforcement agencies use standard accounting procedures and internal controls to track DOJ Equitable Sharing Program receipts. This includes establishing a separate revenue account or accounting code for DOJ Equitable Sharing Program proceeds. In addition, agencies must deposit any interest income earned on equitable sharing funds in the same revenue account or under the accounting code established solely for the shared funds. Further, law enforcement agencies participating in the DOJ Equitable Sharing Program are required to use the eShare Portal.<sup>4</sup>

## Internal Control Environment

To track equitably shared funds and tangible property, participating agencies must implement the required bookkeeping procedures and internal controls that are outlined in the 2018 Equitable Sharing Guide. When we requested the Fort Wayne PD's internal control policy in March 2022, Fort Wayne PD officials told us that the Fort Wayne PD does not have its own written internal controls and, instead, provided a copy of the city of Fort Wayne's internal controls issued by the city of Fort Wayne's Controller's Office (Controller's Office). These officials also told us that they use the 2018 Equitable Sharing Guide as its controls for overseeing its DOJ equitable sharing activities. While the city's internal controls can assist with the Fort Wayne PD's general financial matters, they do not ensure adherence to specific requirements of the DOJ Equitable Sharing Program. As discussed in the following sections of this report, we identified areas where the Fort Wayne PD did not fully comply with program requirements, such as those related to the authorization of expenditures and property management. We believe that having formal, documented procedures and internal controls covering the Fort Wayne PD's equitable sharing activities—as required by the 2018 Equitable Sharing Guide—would help reduce the risk of these deficiencies occurring in the future.

In August 2022, the Fort Wayne PD provided us with its newly established Federal Asset Forfeiture Policy for managing its equitable sharing program. We reviewed this policy and noted that it largely mirrors the 2018 Equitable Sharing Guide but contains outdated verbiage from previous guidance that was superseded by the 2018 Equitable Sharing Guide. While the policy provides detailed procedural steps for those responsible for conducting seizures and requesting respective equitable shares, the policy does not delineate the roles and specific steps required to fulfill other certain equitable sharing processes that we identified as weaknesses during our audit. As a result, we recommend that the Criminal Division ensure that the Fort Wayne PD, in coordination with the city of Fort Wayne, establishes internal controls and procedures for all programmatic and financial processes that are required for adequately administering DOJ equitable sharing funds and activities. In particular, these internal controls and procedures should cover, at a minimum: (1) routinely checking the eShare Portal for disbursements and reconciling that information to transactions recorded in the official accounting system; (2) requiring the agency head, or designee, to document the authorization of all expenditures to be paid for with DOJ equitable sharing funds; (3) verifying and documenting that potential vendors are not suspended or debarred prior to spending DOJ equitable sharing funds; (4) ensuring that sale proceeds of property purchased, in whole or in part, with DOJ equitable

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<sup>4</sup> The eShare Portal enables a participating agency to view the status of its equitable sharing requests and run reports on disbursed equitable sharing. This is also the avenue from which electronic payments are processed.

sharing funds are properly documented and allocated to the Fort Wayne PD's DOJ equitable sharing account; and (5) ensuring the consistent, accurate, and timely completion of ESAC reports. We discuss these specific policy areas in need of improvement in the remaining sections of this report.<sup>5</sup>

### Accounting for Equitable Sharing Funds

The city of Fort Wayne uses a separate accounting code for recording DOJ equitable sharing activity—both incoming proceeds and expenditures of such funds. However, through interviews and a review of financial records, we determined that this accounting code is one of several that fall within an overall project code titled Fund 0191—Federal Revolving, also referred to as the Grant Fund. Given this structure, the Fort Wayne PD is unable to see the balance of DOJ equitable sharing funds within the official accounting system and, thus, must rely on periodic manual reconciliations with the Controller's Office. In addition, this accounting structure impacts the city of Fort Wayne's ability to accurately allocate interest income earned on DOJ equitable sharing funds. According to officials from the Controller's Office, all funds, including DOJ equitable sharing funds, are deposited into a general bank account and then placed into either a concentrated checking account or various money market accounts. These officials stated that any interest income earned within these accounts is allocated proportionately to the city's various project codes based upon the balances in those accounts. These officials further told us that they allocate all the interest income computed for the Grant Fund project code to the DOJ equitable sharing accounting code despite the project code's balance being comprised of more than just DOJ equitable sharing funds; therefore, these allocations likely overstate the portion of interest associated with Equitable Sharing funds. To ensure comprehensive administration of DOJ equitable sharing funds and compliance with the 2018 Equitable Sharing Guide, we believe the Fort Wayne PD should be better equipped to oversee its DOJ equitable sharing funds and properly account for future interest income earned. Therefore, we recommend that the Criminal Division ensure that the Fort Wayne PD develops an accounting mechanism that accurately allocates interest income earned on DOJ equitable sharing funds.

### Receipts Testing

We determined that the Fort Wayne PD received DOJ equitable sharing revenues totaling \$193,491 to support law enforcement operations during FYs 2020 and 2021.<sup>6</sup> We reviewed all receipts of equitably shared revenues to determine if the funds were properly accounted for and deposited, and we found that the Fort Wayne PD accurately accounted for and deposited all of its equitably shared revenues received during these fiscal years.

As shown in Table 1, we also selected a sample of five of the highest-valued receipts from FYs 2020 and 2021 to ensure that these monies were recorded by the Fort Wayne PD in a timely manner. These five receipts accounted for 78 percent of the total receipts. Our testing determined that the Fort Wayne PD accurately and timely recorded these asset forfeiture receipts in its accounting records.

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<sup>5</sup> In the Conclusion and Recommendations section of this report, we make one recommendation that consolidates these individual policy issues identified in the report.

<sup>6</sup> The Fort Wayne PD did not receive any receipts in FY 2021. Therefore, sampled receipts are only from FY 2020.

**Table 1**

**Fort Wayne PD Sampled Receipts**

Sample Count	Date Received According to eShare	Amount	Date Received According to Accounting System Records	Amount	Number of Days between Receipt and Recording of Funds
1	02/21/2020	\$33,297	02/21/2020	\$33,297	0
2	03/19/2020	\$17,220	03/19/2020	\$17,220	0
3	04/07/2020	\$22,903	04/07/2020	\$22,903	0
4	04/09/2020	\$34,180	04/09/2020	\$34,180	0
5	09/17/2020	\$44,136	09/17/2020	\$44,136	0
<b>Total</b>		<b>\$151,736</b>		<b>\$151,736</b>	

Source: Fort Wayne PD accounting and eShare Portal records.

However, while completing our testing, we noted another asset forfeiture receipt that had not been recorded to the DOJ equitable sharing revenue account for 65 days after disbursement from the federal government. Officials in the Controller’s Office told us that this delay likely occurred because they were unsure where to record the transaction and, thus, put the receipt on hold until they were able to confirm to which account the money should be recorded. In addition, we found that no one in the Controller’s Office has access to the eShare Portal although one individual stated a request for access had been submitted.

While the Fort Wayne PD’s August 2022 Federal Asset Forfeiture Policy includes guidance about its Forfeiture Section regularly reviewing the eShare Portal for the status of pending sharing requests, as well as general bookkeeping procedures carried over from the 2018 Equitable Sharing Guide, we believe the Fort Wayne PD needs to establish more comprehensive procedures that delineates the roles of Fort Wayne PD and Controller’s Office personnel in ensuring the timely and accurate accounting of DOJ equitable sharing distributions. We also believe that having formal procedures regarding the use of the eShare Portal to routinely monitor disbursements could have prevented the delayed recording of the receipt. Therefore, we recommend that the Criminal Division ensure appropriate Fort Wayne personnel have access to and are properly trained in accessing the eShare Portal. We also recommend that the Criminal Division ensure that the Fort Wayne PD develops and implements procedures for its equitable sharing program management and financial personnel to routinely check for disbursements in the eShare Portal and reconcile that information to transactions recorded in the official accounting system.

**Equitable Sharing Resources**

The 2018 Equitable Sharing Guide requires that equitable sharing funds or tangible property received by state and local agencies be used for law enforcement purposes that directly supplement the appropriated resources of the recipient law enforcement agency. Table 2 reflects examples of permissible and impermissible uses under these guidelines. In addition, state and local law enforcement agencies must retain all documents and records pertaining to their participation in the DOJ Equitable Sharing Program for a period of at least 5 years.

**Table 2**

**Summary of Permissible and Impermissible Uses of Equitable Sharing Funds**

<b>Permissible Uses</b>
Matching grants
Contracts for services
Law enforcement equipment
Law enforcement travel and per diem
Support of community-based organizations
Law enforcement awards and memorials
Law enforcement training and education
Joint law enforcement/public safety operations
Law enforcement operations and investigations
Law enforcement, public safety, and detention facilities
Drug, gang, and other prevention or awareness programs
<b>Impermissible Uses</b>
Loans
Supplanting
Costs related to lawsuits
Extravagant or wasteful expenditures and entertainment
Money laundering operations
Purchase of food and beverages
Creation of endowments or scholarships
Personal or political use of shared assets
Transfers to other law enforcement agencies (MLARS may consider a waiver in limited circumstances.)
Cash on hand, secondary accounts, and stored value cards
Purchase of items for other law enforcement agencies
Uses contrary to state or local laws
Use of forfeited property by non-law enforcement personnel
<i>With some exceptions, salaries and benefits of sworn or non-sworn law enforcement personnel</i>

Source: 2018 Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies.

**Use of Equitable Sharing Funds**

According to its accounting records, the Fort Wayne PD expended DOJ equitable sharing funds totaling \$663,841 in FY 2020 and \$114,765 in FY 2021, for a total of \$778,606 during our review period. We judgmentally selected and tested 24 transactions totaling \$592,508, or 76 percent of the total funds expended, to determine if the expenditures of DOJ equitable sharing funds were permissible and supported by adequate documentation, including agency head approvals. We determined that, of the sampled transactions, the Fort Wayne PD spent the majority of its equitable sharing funds on vehicles, equipment, and software. Based upon our review of the supporting documentation provided by the Fort Wayne PD, we determined that its DOJ equitable sharing fund expenditures were supported by adequate documentation, such as invoices and purchase orders, and were used for appropriate purposes as outlined in the 2018 Equitable Sharing Guide. As an example, the Fort Wayne PD shared a story about how equipment

purchased with DOJ equitable sharing funds contributed to its public safety efforts, which is shown in Figure 1.

**Figure 1**

**Example of Equitable Sharing Funds in Action**

*In the summer of 2021, the Fort Wayne PD Emergency Services Team (EST) responded to a barricaded/hostage situation involving a stepfather, who took his three young stepchildren hostage. An EST robot that was purchased with DOJ equitable sharing funds was deployed and located two children hiding in one of the rooms. The robot operator was able to whisper to the children that it was safe to exit and was also able to isolate the location of the suspect and third child. The use of the EST robot allowed the team to remove the third child safely and take the suspect into custody without incident. Below is a photo of the EST robot.*



Source: Fort Wayne PD

Although the Fort Wayne PD used DOJ equitable sharing funds for appropriate purposes, we found that the Fort Wayne PD did not document the approvals of the expenditures in accordance with the 2018 Equitable Sharing Guide. The 2018 Equitable Sharing Guide requires the law enforcement agency head, or designee, to authorize all expenditures from the equitable sharing account. While the Chief told us that he verbally approved the expenditures funded by DOJ equitable sharing funds, the documented authorizations reflected in the official accounting system were primarily the Deputy Controller's digital signature, which indicate approval from a financial perspective, not an agency need and program permissibility perspective. Without documented approvals from the Chief, or his agency designee, which are necessary for oversight and the prevention of fraud, waste, and misuse of funds, there is no assurance that DOJ equitable sharing fund expenditures were authorized by the appropriate personnel. After discussing this matter with the Fort Wayne PD, the Chief is now documenting DOJ equitable sharing fund expenditure approvals via email. However, this practice has not been incorporated into formal policy or procedures, including the Fort Wayne PD's August 2022 Federal Asset Forfeiture Policy that reiterates the 2018 Equitable Sharing Guide's requirement that the agency head must authorize all expenditures from the federal sharing revenue account. We, therefore, recommend that the Criminal Division ensure that the Fort Wayne PD implements procedures requiring the agency head, or designee, to document the authorization of all expenditures to be paid for with DOJ equitable sharing funds.

We also did not find any evidence that the Fort Wayne PD had identified, when required, whether vendors were suspended or debarred and confirmed that the Fort Wayne PD had not been conducting such checks. According to Equitable Sharing Wires issued in January 2020 and September 2021, equitable sharing participants are required to coordinate with their jurisdiction's personnel to establish and implement procedures for ensuring that federal financial assistance is not used to purchase goods and services from

entities prohibited from receiving federal funds due to suspension or debarment, as well as a requirement to check the System for Award Management (SAM) prior to doing business with potential vendors to ensure they are registered and are in good standing.<sup>7</sup> In March 2022, Fort Wayne PD officials told us that they had recently learned about the requirements and would begin complying with performing the necessary checks. Without procedures to verify vendor suspension and debarment status, the Fort Wayne PD is at risk of conducting business with vendors who are excluded from doing business with the government due to a history of violations, such as failure to perform, false statements, or fraud. Thus, we recommend that the Criminal Division ensure that the Fort Wayne PD develops and implements procedures to verify and document that potential vendors are not suspended or debarred prior to spending DOJ equitable sharing funds.

## Property Management

In addition to testing the permissibility and support of expenditures, we also assessed the Fort Wayne PD's inventory procedures for its property purchased with DOJ equitable sharing funds. The 2018 Equitable Sharing Guide states that agencies must maintain and follow written policies for inventory control that comply with applicable portions of 2 C.F.R. § 200. According to 2 C.F.R. § 200.313, agencies must maintain property records that include a description of the property and the source of funding. Additionally, the agency must conduct a physical inventory of the property at least once every 2 years.

During our site visit to the Fort Wayne PD, we were able to verify the existence of accountable property purchased with DOJ equitable sharing funds. However, we are concerned with the Fort Wayne PD's property management efforts, which was a concern identified in a 2019 internal audit.<sup>8</sup> According to the Fort Wayne PD's directives, the Agency Property Officer is required to create and maintain up-to-date inventory records. However, Fort Wayne PD officials told us that the department does not have an Agency Property Officer and, instead, each section head within the department is responsible for maintaining separate inventory lists. Although requested many times, the Fort Wayne PD did not provide us with any form of its inventory records; as a result, we were unable to confirm that the observed items were listed on the Fort Wayne PD's official inventory records.

We were also told that the individual sections do not designate the funding source on their respective inventory lists and that each section should know whether an item was purchased with DOJ equitable sharing funds. We are concerned with the Fort Wayne PD not complying with this requirement and the potential impact it has when disposing of accountable property. The 2018 Equitable Sharing Guide states that agencies must, to the extent practicable and if consistent with the agency's procurement and disposal policies, deposit proceeds from the sale of property purchased with DOJ equitable sharing funds into the agency's equitable sharing account or accounting code. If the Fort Wayne PD is not indicating what items were purchased with DOJ equitable sharing funds, then there is a risk that any sale proceeds would not be deposited into the Fort Wayne PD's DOJ equitable sharing account and used for furtherance of its law enforcement activities. Marking the funding source is even more important for the Fort Wayne PD because at times, multiple funding sources are used to purchase accountable property. In such instances, the sale

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<sup>7</sup> MLARS issues Equitable Sharing Wires to update and supplement the 2018 Equitable Sharing Guide.

<sup>8</sup> In 2019, the city of Fort Wayne conducted an internal audit of the Fort Wayne PD's Vice and Narcotics Section and identified poor inventory controls and disposal practices caused by obtaining and disposing items through the seizure process. In response to the internal audit's finding, the Fort Wayne PD stated that the Vice and Narcotics Section would create a master inventory list and document items that were decommissioned or no longer used.

proceeds should be allocated proportionately based upon the original funding sources. While none of our sampled expenditures were subsequently sold, three of our sample transactions involved purchases using DOJ equitable sharing funds and other funding.

In addition, the Fort Wayne PD indicated on its FY 2021 ESAC report that it received \$11,960 in other income and its accounting records noted that this income was generated via the sale of cellular phones. However, the Fort Wayne PD was not able to provide inventory records or documentation of the sale to determine whether the cellular phones were purchased entirely with equitable sharing funds and that the amount of sale proceeds recorded to its equitable sharing account was accurate.

We believe that the Fort Wayne PD needs to better account for and oversee its accountable property by maintaining complete inventory and disposal records that are readily accessible and contain all relevant information, including the funding source. We reviewed the Fort Wayne PD's August 2022 Federal Asset Forfeiture Policy and found that it contained minimal guidance on carrying out its property management responsibilities other than that contained in the 2018 Equitable Sharing Guide. We, therefore, recommend that the Criminal Division ensure that the Fort Wayne PD maintains accurate and readily available inventory and disposal records, including the designation of funding sources. We also recommend that the Criminal Division ensure that the Fort Wayne PD establishes and implements procedures for ensuring that sale proceeds of property purchased, in whole or in part, with DOJ equitable sharing funds are properly documented and allocated to the Fort Wayne PD's DOJ equitable sharing account.

## Supplanting

The 2018 Equitable Sharing 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. In other words, the recipient agency must benefit directly from the DOJ equitable sharing funds. To test whether DOJ equitable sharing funds were used to supplement rather than supplant local funding, we interviewed local officials and reviewed the total budgets for the city of Fort Wayne and the operational budgets for the Fort Wayne PD for FYs 2019 through 2022.

We determined that the city of Fort Wayne's general budget had increased by 13 percent during this time and that the Fort Wayne PD's operational budget had increased by approximately 11 percent during the same period. Therefore, we did not identify any indication that the Fort Wayne PD used DOJ equitable sharing funds to supplant its budget.

## Equitable Sharing Agreement and Certification Reports

Law enforcement agencies that participate in the DOJ Equitable Sharing Program are required to submit an ESAC report, on an annual basis, within 2 months after the end of an agency's fiscal year. This must be accomplished regardless of whether equitable sharing funds were received or maintained that year. If an ESAC is not accepted before the end of the 2-month filing timeframe, MLARS moves the law enforcement agency into a non-compliant status. Additionally, the ESAC report must be signed by the head of the law enforcement agency and a designated official of the local governing body. By signing and submitting the ESAC report, the signatories agree to be bound by and comply with the statutes and guidelines that regulate the DOJ Equitable Sharing Program.

## Completeness and Timeliness of ESAC Reports

We tested the Fort Wayne PD's compliance with ESAC reporting requirements to determine if its reports for FYs 2020 and 2021 were complete and submitted in a timely manner. We obtained the Fort Wayne PD's ESAC reports submitted for FYs 2020 and 2021 and found that both reports were complete, signed by appropriate officials, and were submitted within the required 2-month timeframe. However, while each of the ESAC reports were submitted within the 2-month timeframe, MLARS did not accept the FY 2020 ESAC report until it completed a review of construction-related expenditures totaling \$8,800 to ensure compliance with environmental regulations. Subsequently, MLARS placed the Fort Wayne PD in a non-compliant status until such a determination could be made. MLARS officials told us that they concluded that the costs were permissible and accepted the Fort Wayne PD's FY 2020 ESAC report on March 1, 2022—over 12 months after the report had been originally submitted. The MLARS officials acknowledged the significant delay in making a determination that kept the Fort Wayne PD in a non-compliant status for more than a year and, thus, unable to receive any equitable sharing funds during that time. According to Fort Wayne PD officials, there was not a significant negative impact on the Fort Wayne PD's law enforcement efforts as a result of not receiving such funds.

## Accuracy of ESAC Reports

To verify the accuracy of the annual ESAC reports, we compared the receipts listed on the Fort Wayne PD's two most recent ESAC reports to the total disbursement amounts listed on the eShare report for the same time period. Our analysis showed that the Fort Wayne PD's most recent ESAC reports indicated DOJ equitable sharing receipts of \$193,491 for FY 2020 and \$0 for FY 2021, which matched the receipts listed on the report from the eShare Portal.

To verify the total DOJ equitable sharing expenditures listed on the Fort Wayne PD's two most recent ESAC reports, we compared expenditures listed on the ESAC reports to the Fort Wayne PD's financial records for each period. Our analysis showed that the total expenditures reported in the Fort Wayne PD's two most recent ESAC reports were \$663,841 and \$114,765 in FYs 2020 and 2021, respectively, which matched the expenditures stated in the official accounting records.

We also reviewed for accuracy the section of the ESAC report that summarizes the shared monies spent by specific category, such as law enforcement operations and investigations, travel and training, and law enforcement equipment. Using the Fort Wayne PD's financial records, we computed the total expenditures by category for each fiscal year and compared the results to the amounts reflected on the ESAC reports. We found that the category totals reflected on the ESAC reports matched the expenditure category totals as provided by the auditee.

In addition to reporting DOJ equitable sharing receipts and expenditures on the ESAC reports, entities are required to report the amount of interest income earned on DOJ equitable sharing funds and any other equitable sharing-related income received during the given reporting period. We were unable to verify the accuracy of these figures.

- Interest Income: Although the Fort Wayne PD did not report any interest income on its FY 2020 and FY 2021 ESAC reports, we noted that the Fort Wayne PD had previously reported interest income during FY 2018 (\$4,507) and FY 2019 (\$2,018). The Controller's Office told us that while interest

income was earned during our review period, most of the interest income earned was used to pay for banking fees and services, and it was not worth the effort to allocate the remaining nominal interest income amounts to individual accounting codes. As discussed in the Accounting for Equitable Sharing Funds section of this report, we also identified concerns with the city of Fort Wayne's computation and allocation of interest income earned.

- **Other Income:** On the FY 2021 ESAC report, the Fort Wayne PD reported \$11,960 in other income, which, according to Fort Wayne PD officials, resulted from the sale of cellular phones originally purchased with DOJ equitable sharing funds. As discussed in the Property Management section of this report, the Fort Wayne PD was unable to provide documentation for the sale to confirm the other income amount was accurate, as well as whether the original purchase of the cellular phones had been paid entirely with DOJ equitable sharing funds.

In March 2022, the Fort Wayne PD Director of Finance told us that the Fort Wayne PD did not have standard written procedures to aid in the completion of ESAC reports but was in the process of drafting such procedures. This official believed that established procedures would help in ensuring these reports are properly and accurately prepared. As previously mentioned, the Fort Wayne PD finalized its Federal Asset Forfeiture Policy in August 2022. According to this policy, the Fort Wayne PD Director of Finance is responsible for completing the ESAC report. However, no further guidance is provided within the policy to indicate from where to gather the necessary information to complete the form or who is to sign the form. In addition, the Fort Wayne PD's policy references outdated guidance pertaining to ESAC report due dates. We, therefore, recommend that the Criminal Division ensure that the Fort Wayne PD develops and implements formal procedures to help ensure the consistent, accurate, and timely completion of ESAC reports.

## **Compliance with Audit Requirements**

The 2018 Equitable Sharing Guide requires that state and local law enforcement agencies that receive equitable sharing cash, proceeds, or tangible property comply with the Single Audit Act Amendments of 1996 (Single Audit Act) and 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year. The Single Audit Report is required to include a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements. In addition, an entity must submit its Single Audit Report no later than 9 months after the end of the fiscal year covered by the audit.

To determine if the Fort Wayne PD accurately reported DOJ equitable sharing fund expenditures on its SEFA, we reviewed the Fort Wayne PD's accounting records and the city of Fort Wayne's Single Audit Report for FY 2020. We found that the city of Fort Wayne accurately reported DOJ equitable sharing fund expenditures on the SEFA for FY 2020, as required by the Uniform Guidance.

During our review of the FY 2020 Single Audit report, we noted that the DOJ Equitable Sharing Program was not tested. However, the report included a similar finding that we found during our audit and noted in the Use of Equitable Sharing Funds section of this report. In particular, the FY 2020 Single Audit report disclosed

that during the testing of a different federal program, the city of Fort Wayne was unable to consistently provide support that it had reviewed the “List of Parties Excluded from Federal Procurement and Nonprocurement Programs.” The report stated that because the city of Fort Wayne failed to maintain sufficient procurement records, it lacked the support to prove that vendors were not suspended or debarred and risked noncompliance with the Uniform Guidance. In the Views of Responsible Officials and Planned Corrective Action section of the report, the city of Fort Wayne stated that it was aware of the compliance requirements and implemented additional procedures from the recommendation that included maintaining adequate documentation to ensure compliance with the suspension and debarment requirement. During our audit (and as noted in the Use of Equitable Sharing Funds section of this report), we did not see evidence that the Fort Wayne PD had ensured vendors were not suspended or debarred when testing our sample of expenditures, and that in March 2022 Fort Wayne PD officials stated that they recently became aware of the requirements. Within that section of the report, we make a recommendation to establish and implement procedures to ensure the required checks are performed on potential vendors prior to spending DOJ equitable sharing funds.

## Conclusion and Recommendations

We tested the Fort Wayne PD's compliance with what we considered to be the most important conditions of the DOJ Equitable Sharing Program to assess whether the Fort Wayne PD accounted for equitable sharing funds properly and used such revenues for permissible purposes. Overall, we found that the Fort Wayne PD did not fully comply with program requirements. Specifically, while we determined that a sample of DOJ equitable sharing fund receipts and expenditures were accurate, adequately supported, and used for permissible purposes, the Fort Wayne PD's recently updated Equitable Sharing Program policy document did not provide all necessary internal controls, policies, and procedures. For example, we found that the Fort Wayne PD did not properly approve its DOJ equitable sharing expenditures, did not have the required property management controls in place over items purchased with DOJ equitable sharing funds, and did not have a proper accounting structure to readily determine available balances and accurately allocate interest income.

We recommend that the Criminal Division:

1. Ensure that the Fort Wayne PD, in coordination with the city of Fort Wayne, establishes internal controls and procedures for all programmatic and financial processes that are required for adequately administering DOJ equitable sharing funds and activities. In particular, these internal controls and procedures should cover, at a minimum: (1) routinely checking the eShare Portal for disbursements and reconciling that information to transactions recorded in the official accounting system; (2) requiring the agency head, or designee, to document the authorization of all expenditures to be paid for with DOJ equitable sharing funds; (3) verifying and documenting that potential vendors are not suspended or debarred prior to spending DOJ equitable sharing funds; (4) ensuring that sale proceeds of property purchased, in whole or in part, with DOJ equitable sharing funds are properly documented and allocated to the Fort Wayne PD's DOJ equitable sharing account; and (5) ensuring the consistent, accurate, and timely completion of ESAC reports.
2. Ensure that the Fort Wayne PD develops an accounting mechanism that accurately allocates interest income earned on DOJ equitable sharing funds.
3. Ensure that appropriate Fort Wayne personnel have access to and are properly trained in accessing the eShare Portal.
4. Ensure that the Fort Wayne PD maintains accurate and readily available inventory and disposal records, including the designation of funding sources.

# APPENDIX 1: Objective, Scope, and Methodology

## Objective

The objective of the audit was to assess whether equitably shared revenue has been accounted for properly and used for permissible purposes by the Fort Wayne, Indiana, Police Department (Fort Wayne PD).

## 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 our audit objective.

Our audit concentrated on, but was not limited to, equitable sharing receipts received by the Fort Wayne PD between January 1, 2020, and December 31, 2021. Our audit was limited to equitable sharing revenues received through the DOJ Equitable Sharing Program. We tested compliance with what we considered to be the most important 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 MLARS's Equitable Sharing Wires and the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, issued in July 2018. Unless otherwise stated in our report, the criteria we audited against are contained in these documents.

During the audit, we interviewed Fort Wayne PD and city of Fort Wayne finance officials and examined records, related revenues, and expenditures of DOJ equitable sharing funds. We also physically observed the Fort Wayne PD's equitable sharing-purchased equipment. In addition, we relied on computer-generated data contained in the eShare Portal to identify equitably shared revenues and property awarded to the Fort Wayne PD during the audit period. We did not establish the reliability of the data contained in the eShare Portal as a whole. However, when viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations included in this report are valid.

Our audit specifically evaluated the Fort Wayne PD's compliance with three essential equitable sharing guidelines: (1) accounting for equitable sharing receipts, (2) the use of equitable sharing funds, and (3) Equitable Sharing Agreement and Certification reports. In planning and performing our audit, we considered internal controls over DOJ equitable sharing receipts established and used by the Fort Wayne PD. However, we did not assess the reliability of the city of Fort Wayne's financial management system, or the extent to which the financial management system complied with internal controls, laws, and regulations overall.

In the scope of this audit, the Fort Wayne PD had 13 cash receipts totaling \$193,491. In the same period, the Fort Wayne PD had 138 expenditures totaling \$778,606. We judgmentally selected and tested a sample of 5 receipts totaling \$151,736 and a sample of 24 expenditures totaling \$592,508. A judgmental sampling design was applied to capture numerous aspects of the disbursements reviewed, such as dollar amounts. This non-statistical sample design does not allow projection of the test results to all disbursements.

Our audit included an evaluation of the Fort Wayne PD's most recent annual audit. The results of this audit were reported in the Single Audit Report that accompanied the city of Fort Wayne's basic financial statements for the year ended December 31, 2020. The Single Audit Report was prepared under the provisions of the Uniform Guidance (2 C.F.R. § 200). We reviewed the independent auditor's assessment, which disclosed a control and compliance deficiency that we deemed relevant to our audit. We have addressed this weakness in our report as it relates to the Fort Wayne PD's Equitable Sharing Program.

We discussed the results of our review with officials from the Fort Wayne PD and the city of Fort Wayne Controller's Office throughout the audit and at a formal exit conference. As appropriate, their input has been included in the relevant sections of the report.

## Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of the Fort Wayne PD to provide assurance on its internal control structure as a whole. Fort Wayne PD management is responsible for the establishment and maintenance of internal controls in accordance with the 2018 Equitable Sharing Guide and 2 C.F.R. § 200.303. Because we do not express an opinion on the Fort Wayne PD's internal control structure as a whole, we offer this statement solely for the information and use of the Fort Wayne PD and the DOJ Criminal Division.<sup>9</sup>

In order to assess the Fort Wayne PD's design, implementation, and operational effectiveness of its internal controls, we reviewed the sufficiency of the Fort Wayne PD's policies and procedures to ensure compliance with the 2018 Equitable Sharing Guide requirements. In planning and performing our audit, we identified several internal control components and underlying internal control principles as significant to the audit objectives: (1) the Control Environment principle where management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives; (2) the Control Activities principle where management should design control activities to achieve objectives and respond to risks, as well as implement control activities through policies; and (3) the Information and Communication principle where management should use quality information to achieve the entity's objectives and should externally communicate the necessary quality information to achieve the entity's objectives.<sup>10</sup>

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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<sup>9</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

<sup>10</sup> [Standards for Internal Control in the Federal Government](#) (GAO Green Book) lists the internal control components as control environment, risk assessment, control activities, information and communication, and monitoring.

## APPENDIX 2: The Criminal Division's Response to the Draft Audit Report



U.S. Department of Justice

Criminal Division

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Money Laundering and Asset Recovery Section

Washington, D.C. 20530

September 13, 2022

### **MEMORANDUM**

TO: Carol S. Taraszka, Regional Audit Manager  
Chicago Regional Audit Office  
Office of Inspector General

FROM: Matthew Colon, Deputy Chief <sup>RMC</sup>  
Program Management and Training Unit  
Money Laundering and Asset  
Recovery Section

SUBJECT: DRAFT AUDIT REPORT for the Fort Wayne Police Department's Equitable  
Sharing Program Activities

In a memorandum dated August 31, 2022, your office provided a draft audit report for the Fort Wayne Police Department (FWPD), which included actions necessary for closure of the audit report findings. The Money Laundering and Asset Recovery Section (MLARS) concurs with all findings and recommendations in the draft audit report.

Upon receipt of the final audit report, MLARS will work with FWPD to correct all identified findings.

cc: Louise Duhamel, Acting Assistant Director  
Audit Liaison Group  
Internal Revenue and Evaluation Office  
Justice Management Division

Jessica Schmaus, Audit Liaison  
U.S. Department of Justice  
Criminal Division

Tracey A. Waters  
Audit Liaison Group  
Internal Revenue and Evaluation Office  
Justice Management Division

# APPENDIX 3: The Fort Wayne Police Department's Response to the Draft Audit Report



## CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

Police Department • Stephen R. Reed, Police Chief

### The Fort Wayne Police Department's Response to the Draft Audit Report

September 13, 2022

#### DOJ Audit Answers:

1. Agree: The Fort Wayne PD and the City of Fort Wayne did not have documented internal controls and procedures for all programmatic and financial processes that are required for adequately administering DOJ equitable sharing funds and activities. The Fort Wayne PD and the City of Fort Wayne will implement internal controls that cover the following:
  - a. The Fort Wayne PD and the City of Fort Wayne will enhance its standard operating procedures concerning the Federal Asset Forfeiture Policy, to include routinely checking the eShare Portal for disbursements and reconciling that information to transactions recorded in the official accounting system.
  - b. The Fort Wayne PD will create a new position to track all equipment purchased with Equitable Sharing Funds as of January 1<sup>st</sup>, 2023.
2. Agree: The Fort Wayne PD did not have a written documented system requiring the Chief of Police or his/her designee to approve authorization of expenditures to be paid for with DOJ equitable sharing funds:
  - a. The Fort Wayne PD as of March of 2022 is keeping email records of the Chief of Police or his/her designee when authorizing expenditures paid for with DOJ equitable sharing funds.
3. Agree: The Fort Wayne PD did not have a system for verifying and documenting that potential vendors are not suspended or debarred prior to spending DOJ equitable sharing funds:
  - a. On September 13, 2022, the Fort Wayne PD instituted a new procedure where all potential vendors are checked for approval in the SAM system prior to doing business with them. A form titled "SAM Excluded Parties Verification Form" has been created, along with a spreadsheet of the name of the vendor, the date and time the vendor was checked in SAM, and the disposition of that vendor at the time the check was completed.

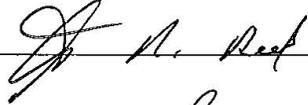
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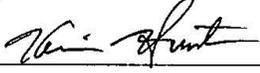
1 E. Main St., Suite 108 • Fort Wayne, Indiana • 46802 • [www.fwpd.org](http://www.fwpd.org)  
phone: 260-427-1230 • fax: 260-427-1374

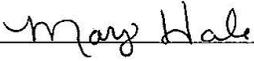
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- b. This new procedure will be added to the Fort Wayne PD standard operating procedure for Federal Asset Forfeiture Policy.
- 4. Agree: The Fort Wayne PD agrees that it did not ensure that sale proceeds of property purchased, in whole or in part, with DOJ equitable sharing funds were properly documented.
  - a. As of September 2022, the Fort Wayne PD will keep a spreadsheet of any items purchased with DOJ equitable sharing funds along with the date of purchase and the date of decommission or sale.
- 5. Agree: The Fort Wayne PD did not specifically detail in the standard operating procedure when ESAC reports will be completed and submitted:
  - a. The Fort Wayne PD will clarify in the standard operating procedure for Federal Asset Forfeiture Policy that ESAC reports will be completed and submitted on or before the last day of February of the following year.
- 6. Agree: The Fort Wayne PD and the City of Fort Wayne did not ensure that they have an accounting mechanism that can produce a report that shows beginning and ending balances in the financial system and accurately allocates interest income earned on all DOJ equitable sharing funds:
  - a. The Fort Wayne PD and the City of Fort Wayne will create a separate account that accurately tracks interest income and allows a report to be generated out of the financial system to show beginning and ending balances on all DOJ equitable sharing funds.
- 7. Agree: The Fort Wayne PD and the City of Fort Wayne did not ensure that appropriate Fort Wayne personnel have access to and are properly trained in accessing the eShare Portal:
  - a. The Fort Wayne PD will ensure that all Fort Wayne personnel requiring access to the eShare Portal will receive that access. The Fort Wayne PD will also ensure that all Fort Wayne personnel will be properly trained in using the eShare Portal.
- 8. Agree: The Fort Wayne PD did not maintain accurate and readily available inventory and disposal records, including the designation of funding sources:
  - a. The Fort Wayne PD will create an accurate and readily available inventory spreadsheet of all equipment or items purchased using DOJ equitable sharing funds. This inventory list will document the date of purchase, the cost and designation of funding sources.

- c. The Fort Wayne PD will create a new position to track all equipment purchased with Equitable Sharing Funds as of January 1<sup>st</sup>, 2023.

Chief Stephen Reed 

Captain Kevin Hunter 

Mary Hale 

## APPENDIX 4: 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 Criminal Division and the Fort Wayne Police Department (Fort Wayne PD). The Criminal Division's response is incorporated in Appendix 2 and the Fort Wayne PD's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, the Criminal Division concurred with our recommendations, and as a result, the status of the audit report is resolved. The Fort Wayne PD agreed with all recommendations.<sup>11</sup> The following provides the OIG analysis of the response and summary of actions necessary to close the report.

### Recommendations for the Criminal Division:

- 1. Ensure that the Fort Wayne PD, in coordination with the city of Fort Wayne, establishes internal controls and procedures for all programmatic and financial processes that are required for adequately administering DOJ equitable sharing funds and activities. In particular, these internal controls and procedures should cover, at a minimum: (1) routinely checking the eShare Portal for disbursements and reconciling that information to transactions recorded in the official accounting system; (2) requiring the agency head, or designee, to document the authorization of all expenditures to be paid for with DOJ equitable sharing funds; (3) verifying and documenting that potential vendors are not suspended or debarred prior to spending DOJ equitable sharing funds; (4) ensuring that sale proceeds of property purchased, in whole or in part, with DOJ equitable sharing funds are properly documented and allocated to the Fort Wayne PD's DOJ equitable sharing account; and (5) ensuring the consistent, accurate, and timely completion of ESAC reports.**

Resolved. The Criminal Division concurred with our recommendation. The Criminal Division stated in its response that upon receipt of the final audit report, it will work with the Fort Wayne PD to correct all identified findings. As a result, this recommendation is resolved.

The Fort Wayne PD agreed with our recommendation and stated in its response that it will enhance its standard operating procedures concerning the Federal Asset Forfeiture Policy and implement necessary internal controls. Specifically, the Fort Wayne PD stated that the procedures will include routinely checking the eShare Portal for disbursements and reconciling that information to transactions recorded in the official accounting system. In addition, the Fort Wayne PD said that since March 2022, it has been keeping email records of the Chief of Police, or his designee, when authorizing expenditures paid for with DOJ equitable sharing funds. Further, the Fort Wayne PD stated that on September 13, 2022, it instituted a new procedure, which will be added to its Federal Asset Forfeiture Policy, where all potential vendors are checked for approval in the System for Award Management (SAM) prior to doing business with them, as well as created a SAM Excluded Parties Verification Form and a spreadsheet that documents the checks performed. The Fort Wayne PD

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<sup>11</sup> Within its response to the draft report, the Fort Wayne PD addressed each subsection of Recommendation Number 1 individually. Therefore, the Fort Wayne PD's responses to Recommendation Number 1 correlate with numbered items 1-5 in Appendix 3. The Fort Wayne PD's responses to Recommendations Numbers 2-4 correlate to numbered items 6-8, respectively, in Appendix 3.

also said that as of September 2022, it will keep a spreadsheet of any items purchased with DOJ equitable sharing funds along with the date of purchase and the date of decommission or sale; and that it will clarify in its Federal Asset Forfeiture Policy that ESAC reports will be completed and submitted on or before the last day of February of the following year.

This recommendation can be closed when we receive documentation of Fort Wayne PD's internal controls and procedures for all programmatic and financial processes that are required to adequately administer its DOJ equitable sharing funds and activities. This at a minimum, should include documentation of internal controls and procedures for:

1. routinely checking the eShare Portal for disbursements and reconciling that information to transactions recorded in the official accounting system within the enhanced Federal Asset Forfeiture Policy;
  2. requiring the agency head, or designee, to document the authorization of all expenditures to be paid for with DOJ equitable sharing funds;
  3. verifying and documenting that potential vendors are not suspended or debarred prior to spending DOJ equitable sharing funds;
  4. ensuring that sale proceeds of property purchased, in whole or in part, with DOJ equitable sharing funds are properly documented and allocated to the Fort Wayne PD's DOJ equitable sharing account, including the use of the aforementioned inventory spreadsheet; and
  5. ensuring the consistent, accurate, and timely completion of ESAC reports.
- 2. Ensure that the Fort Wayne PD develops an accounting mechanism that accurately allocates interest income earned on DOJ equitable sharing funds.**

Resolved. The Criminal Division concurred with our recommendation. The Criminal Division stated in its response that upon receipt of the final audit report, it will work with the Fort Wayne PD to correct all identified findings. As a result, this recommendation is resolved.

The Fort Wayne PD agreed with our recommendation and stated in its response that it and the city of Fort Wayne will create a separate account that accurately tracks interest income and allows a report to be generated from the financial system to show beginning and ending balances of DOJ equitable sharing funds.

This recommendation can be closed when we receive evidence that the Fort Wayne PD developed an accounting mechanism that accurately allocates interest income earned on DOJ equitable sharing funds.

**3. Ensure that appropriate Fort Wayne personnel have access to and are properly trained in accessing the eShare Portal.**

Resolved. The Criminal Division concurred with our recommendation. The Criminal Division stated in its response that upon receipt of the final audit report, it will work with the Fort Wayne PD to correct all identified findings. As a result, this recommendation is resolved.

The Fort Wayne PD agreed with our recommendation and stated in its response that it will ensure that all Fort Wayne personnel requiring access to the eShare Portal will receive that access and be properly trained in using the eShare Portal.

This recommendation can be closed when we receive evidence that all appropriate Fort Wayne personnel have access to and are properly trained in accessing the eShare Portal.

**4. Ensure that the Fort Wayne PD maintains accurate and readily available inventory and disposal records, including the designation of funding sources.**

Resolved. The Criminal Division concurred with our recommendation. The Criminal Division stated in its response that upon receipt of the final audit report, it will work with the Fort Wayne PD to correct all identified findings. As a result, this recommendation is resolved.

The Fort Wayne PD agreed with our recommendation and stated in its response that it will create an accurate and readily available inventory spreadsheet of all equipment or items purchased with DOJ equitable sharing funds, which will document the date of purchase, cost, and designation of funding sources. The Fort Wayne PD also stated that it will create a new position, as of January 1, 2023, to track all equipment purchased with equitable sharing funds.

This recommendation can be closed when we receive evidence that the Fort Wayne PD is maintaining accurate and readily available inventory and disposal records, including the designation of funding sources.