

# Internal Audit Report

Cuyahoga County, Ohio  
Department of Internal Auditing

**Property Room Audit**  
**Cuyahoga County Sheriff's Office**  
**January 1, 2011 – August 31, 2013**

**Director of Internal Auditing: Cory A. Swaisgood, CPA**

**Staff Auditor: Jeremy Hejnal, CIA**



# Audit Report Highlights

**Sheriff's Office – Property Room Audit**

**July 2016**

**Total Recoveries<sup>1</sup> = \$426,092    Total Cost Savings<sup>2</sup> = \$35,507**

## **What We Found**

We found control weaknesses and discrepancies in property and evidence items during the Property Room Audit. The following is a list of the *most significant* issues we identified during the audit:

- We were unable to substantiate all property and evidence related to money and other valuable items, such as vehicles. Findings appearing to be related to the former Captain's theft were disclosed to the Prosecutor's Office.
  - No support was found to substantiate \$426,092 in property and evidence money over a period of 12 years in the logbooks and the BEAST.
  - We were unable to locate or verify the disposition of eight vehicles from the logbooks.
- Property and evidence money was collected and stored in a Property Room until each case was adjudicated and disposition was determined. Money could potentially be stored in the Property Room for years, increasing the risk of mishandling the money.
- DIA noted concerns with surveillance and security controls in the Property Rooms. During the audit, surveillance cameras were installed outside of each Property Room, but none were installed within the Property Rooms.
- The Sheriff's Office utilized six locations instead of one central location for the storage of property and evidence. Five locations were scattered throughout the Sheriff's Office on the second and third floors, along with the Sally Port in the Sheriff Office's garage. The sixth property room is an off-site secured garage used to store vehicles.
- The Sheriff's Office did not have a full-time employee overseeing the Property Rooms. Unit personnel managed the Property Room in addition to their regular duties as Unit Deputies and Sergeants.
- No policy and procedure manual existed for the submission, handling, storage, and disposition of property and evidence.

## **Background**

The Narcotics Unit (Unit) within the Sheriff's Office is responsible for preserving evidence collected during criminal investigations and maintenance of certain personal property. The Unit is primarily a custodian of evidence as the authority to make decisions regarding the disposition of items rests with judicial agencies, such as the Court of Common Pleas.

The Unit uses an evidence management system, the BEAST, to track all property and evidence activity. Prior to 2008, the Unit utilized log books to manually record the activity of all evidence in multiple locations, collectively referred to as Property Rooms in this report. One Sergeant and one Detective with the Unit were tasked with monitoring property and evidence within the Property Room at the time of the audit.

## **Why This Audit Was Done**

The purpose of this audit was to address concerns raised by the former Sheriff regarding missing evidence in the Property Room. We assisted the Ohio Bureau of Criminal Investigation, Sheriff's Office, and Prosecutor's Office on an investigation of a former Captain involving theft of evidence money.

In addition to the investigation, we reviewed Property Room procedures and items in evidence in order to make recommendations to reduce the risk of mishandling property and evidence going forward.

<sup>1</sup> The total overpayments identified the County could potentially recover.

<sup>2</sup> The amount the County could save by implementing recommendations. Cost savings are a result of policy changes that could reduce expenses.

# Audit Report Highlights

**Sheriff's Office – Property Room Audit**

**July 2016**

## ***What We Recommended***

We made recommendations focused on resolving control weaknesses that resulted in theft by a former Captain. We made recommendations for procedural and systematic changes in the Property Room.

We noticed dramatic improvements in the physical arrangement and handling of property and evidence between the start of the audit and the end, as DIA's recommendations were accepted and implemented by the Unit. It appears they instituted excellent controls over items in their custody during the audit and they have managed to maintain adequate organization of items with limited space and technology.

We made the following recommendations to improve the operations of the Property Room:

- The Unit should formally document all procedures and establish a policy manual so operations are consistent with International Association for Property Evidence (IAPE) Standards and management's expectations.
- The Unit should review and consider adopting IAPE Standards and best practices in property room management.
- Maintain supporting documentation for the disposition of property and evidence items.
- New procedures on the retention of property and evidence money should include a process for depositing the money following the collection and submission into evidence. When the final disposition is known, the Unit can disburse the money by check to the court ordered destination(s).
- All property room locations should have video surveillance cameras installed.
- The Sheriff's Office should utilize one centralized location for all evidence to improve the chain of custody and prevent overcrowding.
- The Sheriff's Office should consider creating the position of Property Officer to oversee and monitor property and evidence.



**CUYAHOGA COUNTY  
DEPARTMENT OF INTERNAL AUDITING**

**INTERNAL AUDIT REPORT  
Cuyahoga County Sheriff's Office Property Room  
Cover Letter**

July 8, 2016

To: Sheriff Clifford Pinkney  
and the current management of the Cuyahoga County Sheriff's Office:

The Department of Internal Auditing (DIA) has conducted an audit over the financial operations and accounting of the Cuyahoga County Sheriff's Office Property and Evidence Rooms (referred to within this report as "Property Rooms") due to a matter of potential theft brought to DIA's attention prior to conducting a full scope operational audit on the Sheriff's Office (referred to within this report as "the Office"<sup>1</sup>). Since the possibility of theft increases our controls and substantive testing, DIA conducted a thorough audit of the Property Rooms. The audit objectives were to determine whether controls in place were adequate to safeguard property and evidence from abuse, errors, and loss; seized property and evidence were properly supported, recorded, and authorized; forfeited and obsolete property were properly and timely disposed in their entirety and in accordance with governing laws and regulations; and the Office's operations involved with the Property Rooms were efficient and conducive to accomplish its mission.

To accomplish our objectives, we focused on operational controls of the Office within the Property Rooms as well as the disposal of property and evidence. Interviews with management and staff along with general walk-throughs of specific procedures performed with property and evidence were conducted in order to document the controls in place. In addition, substantive testing methods utilized included analytical procedures, tests of detail using sampling methods as well as confirmation of transactions.

Our audit procedures disclosed internal control weaknesses relating to the Property Rooms' cash collection process, property and evidence safeguarding, recordkeeping, and reporting. In addition, our procedures identified possible theft of seized monies by a former Captain of the Narcotics Unit (referred to within this report as "the Unit") overseeing the Property Rooms. This report provides the details of our findings.

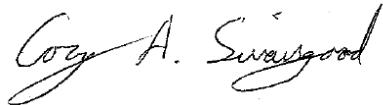
We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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<sup>1</sup> For clarification, we will reference the Cuyahoga County Sheriff's Office as "Office" within this report, and we will reference the Sheriff's position as "Sheriff" within this report.

The Department of Internal Auditing would like to express our appreciation to the staff of the Unit and interrelated departments that assisted throughout the process for their courtesy and cooperation during this audit. A draft report was provided to the Sheriff and the current management for comment and their responses are included.

Respectfully,

A handwritten signature in black ink that reads "Cory A. Swaisgood". The signature is written in a cursive style with a large initial 'C'.

Cory A. Swaisgood, CPA  
Director of Internal Auditing

Cc: Audit Committee  
Cuyahoga County Council  
Sharon S. Jordan, Chief of Staff  
Robert Triozzi, Law Director  
Frank Bova, Chief Community Safety and Protection Officer

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## Glossary

- BEAST** - Barcoded Evidence Analysis Statistical Tracking. An evidence management system utilized by the Unit to track property and evidence within the Property Rooms.
- IAPE** - International Association for Property Evidence, Inc. Standards, best practices, and policy manuals are issued by the IAPE to improve security and efficiency in Property Rooms.
- LETf** - Law Enforcement Trust Fund. This fund must be established under Ohio Revised Code (ORC) Section 2933.43 by each County Sheriff to receive proceeds from the sale of forfeited property and contraband seized during law enforcement activities. Funds may be used for law enforcement activities and in accordance with ORC Section 2981.13.
- DEA** - Drug Enforcement Agency. The Office works with the federal agency on drug cases. Seized money is given to DEA for cases charged federally.
- GovDeals** - Provides services to various government agencies to allow them to sell surplus and confiscated items via the Internet. The Office uses GovDeals, through the County's Office of Procurement & Diversity (OPD), to auction seized items forfeited to the Office.
- Item** - Item is referring to an evidence bag that has been taken in as evidence/property. Most evidence/property are placed in a sealed evidence bag and assigned an item number with a case number. Those items not fitting in an evidence bag are still assigned an item number within a case number.
- Property Rooms** - This term will be used to refer to locations within the Office where evidence and personal property is held until forfeited, deposited, transferred to another agency, or returned to owner.

## Report Details

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### Purpose

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*The former Captain plead guilty to Theft in Office and Tampering with Records charges on April 27, 2015, was ordered to pay \$20,760 in restitution and serve 90 days in jail.*

The purpose of this audit was to address concerns raised by the former Sheriff regarding missing evidence in the Property Rooms. The former Sheriff was notified by the Unit of potential missing evidence in the Unit's Property Rooms. When Sheriff Bova was appointed Sheriff in January 2013, he ordered an "audit" of the Property Rooms. During a review of all items in the evidence management system (BEAST), the Sergeant at the time conducting the "audit" was unable to locate eight evidence bags in the money vault which the BEAST labeled as being in the money vault. The Sergeant asked the Captain at the time for a possible explanation or location of this evidence. When he did not receive a reasonable response he took his concern to the Sheriff. Subsequently, the former Captain went out on sick leave and then resigned/retired at the end of 2013. DIA assisted with the investigation beginning in October 2013. In January 2014, the former Captain was indicted by the County Prosecutor's Office for Grand Theft, Theft in Office and Tampering with Records. The Internal Audit team was not given the opportunity to speak with the former Captain during our time on site.

DIA evaluated processes for compliance with existing policies, laws, and professional standards. The audit included review and evaluation of procedures, practices and controls as deemed necessary. Findings on unsubstantiated monies in this report may or may not be related to the findings in the former Captain's investigation. The details and results of that case (CR-15-593272-A) can be searched and found on the County's Clerk of Courts' website.

### Audit Objective

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Our (DIA) main audit objectives included review of property and evidence operations under the custodianship of the Unit within the Office to determine if policies and procedures were in place and internal controls were effective to ensure property and evidence was received, stored, safeguarded, and disposed of properly. If controls existed, we determined if procedures were adequate to effectively and efficiently achieve the County's and Office's goals. Additionally, DIA developed procedures to address concerns raised by the former Sheriff on potential theft of seized monies.



This report outlines DIA's findings and recommendations through the following three objectives:

1. Policies and procedures were in place, followed, and strictly enforced.
2. Effective controls and systems were in place on Property Room collections and disposals.
3. Suspected Property Room theft was supported.

## **Scope**

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To accomplish our objectives, we focused on the operational controls within the Property Rooms, cash collection and disbursement, as well as review of the processes, procedures, and systems in place at the Unit during the period beginning January 2004 and ending January 2014 with additional procedures performed through August 2015.

## **Methodology**

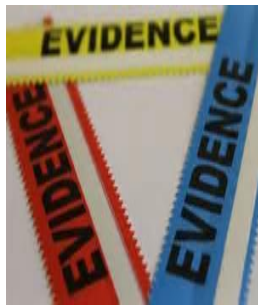
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In order to accomplish the audit objectives DIA performed the following audit procedures:

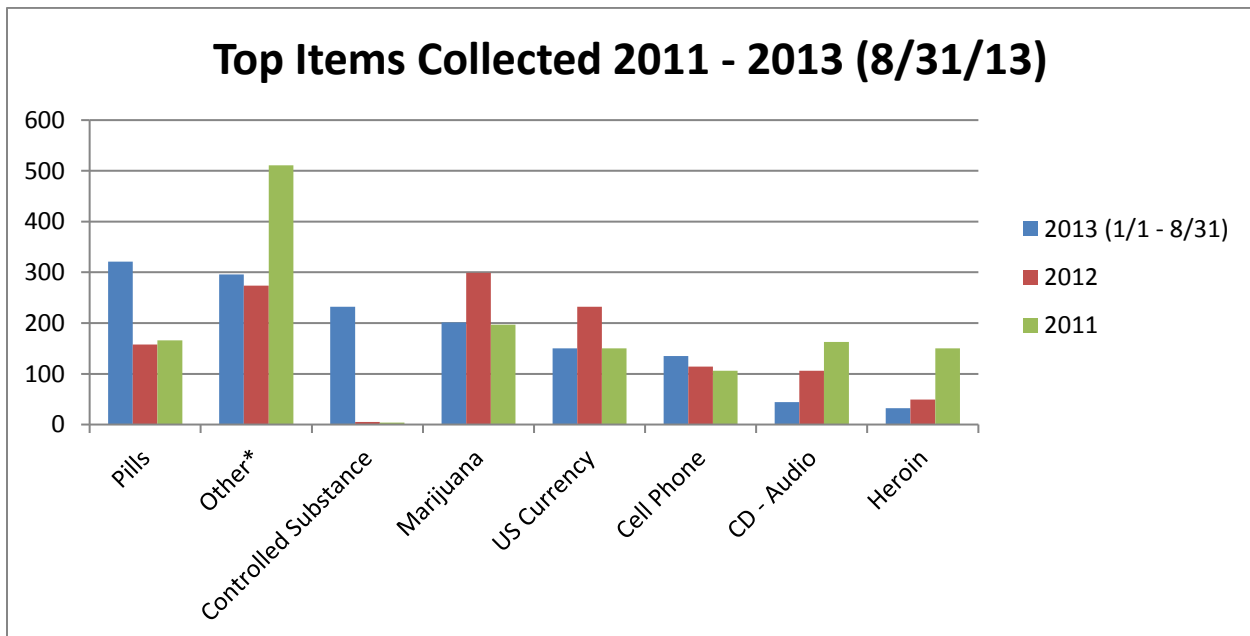
- Conducted interviews with management and staff.
- Reviewed Standards established by the International Association of Property and Evidence (IAPE).
- Performed a site visit of the property and evidence storage locations.
- Reviewed the Unit's procedures on collecting, storing, safeguarding, disposing, and authorizing property and evidence.
- Observed physical security for the property and evidence storage areas.
- Reviewed the process for currency in custody.
- Reviewed system-generated reports, i.e. chain of custody reports, audit logs, location reports.
- Traced the accuracy of property and evidence items from the system to the location and location to the system.
- All currency in the Property Rooms was counted with the Unit's staff.
- Reviewed selected items for disposition and destruction authorizations including but not limited to currency, firearms, and narcotics.

## Background

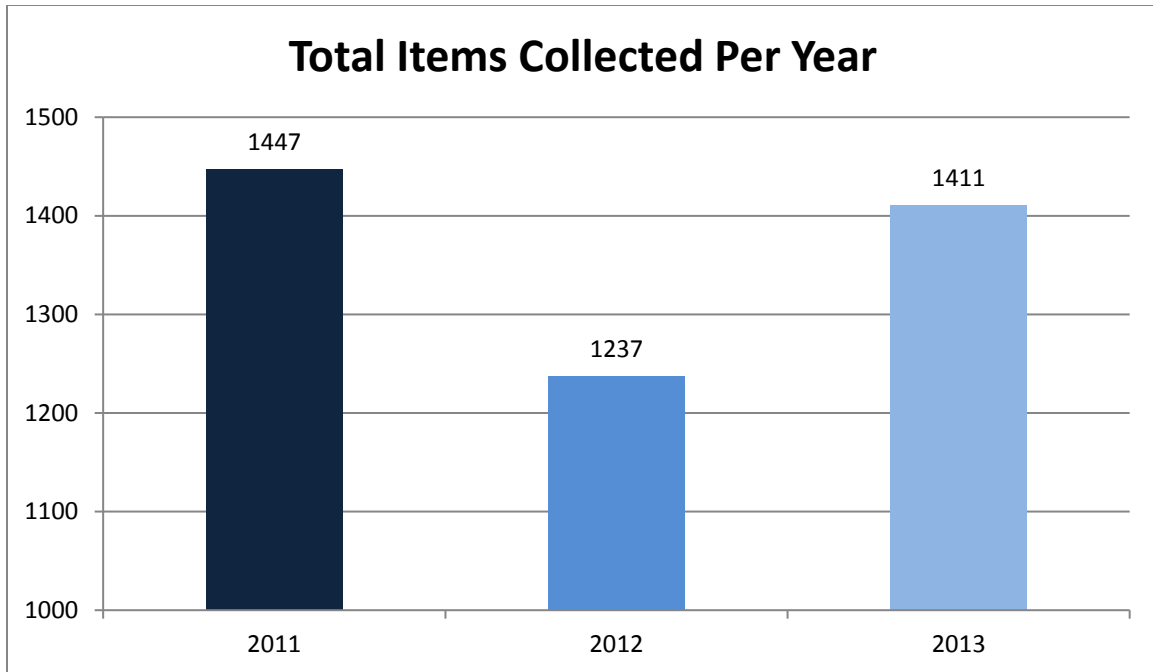
The Unit is responsible for preserving evidence collected during the investigation of crimes and maintenance of certain personal property. The Unit is primarily a custodian of evidence and as such, does not have authority to make independent decisions regarding the disposition of items once they have been entered as evidence. That authority rests with the Courts, the County’s Prosecutor’s Office, and other outside agencies, depending on the situation. The Unit is responsible for safeguarding property and evidence which includes destroying, returning, depositing, and transferring those items that were collected upon arrest. The Unit is also responsible for the storage of personal property items that were found in a public venue.



Since 2008, the Unit utilizes an evidence management system called the BEAST. The BEAST tracks all property and evidence activity with the date, time, and officer noted. The BEAST can also be used to view different types of reports including the number of items collected and disposed within a specific time period. The following charts display the most common items collected and total items collected in 2011, 2012 and 2013 (through August 31). Prior to the BEAST, the Unit manually maintained log books to record, track, and dispose property and evidence.



\* Includes the following items: Guns, Equipment (snow blowers, spot lights, scales), Paperwork, and vehicles.



One Sergeant and a Detective with the Unit were charged with monitoring property and evidence within the Property Rooms at the time of the audit. These duties were in addition to their regular duties in the Unit. The Unit is mainly responsible for:

- Investigating and arresting drug dealers and buyers who engage in illegal drug transactions.
- Investigating and interdicting the importation of illegal drugs into Cuyahoga County.
- Preparing narcotics related civil and criminal forfeiture cases involving illegal profits derived from drug transactions.
- Assisting prosecuting agencies in preparing successful narcotics cases for court.

## **Commendable Practices**

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Unit personnel, managed by the Unit's Sergeant, should be commended for the work performed during and prior to the audit. DIA noticed dramatic improvements in the physical arrangement and handling of property and evidence from the start of the audit until the end. The Unit worked tirelessly on weekends to organize Property Rooms while performing their normal daily duties in the Unit. DIA's recommendations were accepted and implemented quickly by the Unit. It appears they have instituted excellent controls over items in their custody during the audit and they have

managed to maintain adequate organization of items with limited space and technology.

While findings discussed in this report may not, individually, or in the aggregate, significantly impair operations of the Unit, they do present issues that, if addressed, may result in increased efficiency and/or reduction of risks.



## Findings and Recommendations

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### Objective #1 – Policies and Procedures were in Place, Followed, and Strictly Enforced

#### **FINDING The Unit did not have a Written Policy and Procedure Manual on Property and Evidence Procedures.**

According to IAPE Standard 2.1, "the submission, handling, storage, and disposition of property and evidence need to be documented in written policies and procedures." Developing a manual addressing property and evidence procedures is critical in assuring effective controls are in place.

The Unit handles the submission, storage, and disposition of property and evidence for the Office. The Unit does not have a policy and procedure manual on property and evidence procedures.

In addition, the Office does not have formal written procedures to transfer money being held as evidence to a bank for safekeeping prior to learning the outcome of a case. All currency submitted into evidence was retained by the Unit in a property room referred to as the money vault. Currency is not required to be retained in the money vault and could have been deposited into a bank account until its final disposition was known. The IAPE, Standard #10, addresses proper handling of currency. Standard 10.3 *Money - Documentation of Movement* states, "Money should be deposited or transferred out of the property room as soon as practical once it no longer has evidentiary value." In addition, the authors of *Property and Evidence by the Book*<sup>2</sup> indicate that "less than 1% of all currency stored as evidence in our (the authors) property rooms is ever introduced into court."



#### **FINDING The Unit did not have Adequate Staffing to Overseeing and Manage the Property Rooms.**

The IAPE states that each law enforcement agency should have an adequate number of personnel assigned to the property rooms within the hours they are scheduled to work. Specifically, the IAPE states a Property Officer position should be created. Having personnel in place to assure property and evidence are accurately submitted, stored, and disposed is critical to the Office's property and evidence management.

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<sup>2</sup> Latta, Lt. Joseph T., and Chief Gordon A. Bowers. "Property and Evidence by the Book."

The Unit did not have a full-time employee overseeing property and evidence. A Sergeant and Detective within the Unit were responsible for handling property and evidence. Both employees were required to perform normal duties besides maintaining the Property Rooms. The Office has never had a position to specifically oversee this activity.

**FINDING      No Procedures Were Formally Established on Closed Cases to Assure Proper Disposal of all Evidence.**

The Unit had many responsibilities and constraints on its operations, but lacked decision making authority for the disposal of property and evidence. The Sergeant or a Detective with administrative authority over evidence was responsible for researching cases to determine when it was appropriate to dispose of evidence. In order for items to be disposed (returned to owner, deposited, destroyed, or used in-service), all required information had to be properly documented and approval for disposal had to be given from outside authorities, such as the Prosecutor's Office and the Courts.

It is essential for the capacity of the Property Rooms that all items are moved into and out of evidence as quickly as possible. We identified several discrepancies and control weaknesses in researching and communicating case results. DIA did note that case journal entries were maintained with some empty evidence bags to support monies being returned to owner or deposited in the Sheriff's LETF bank account. The following occurred due to lack of internal controls on closing out cases:

- Monies were returned to owner and also included on an abandonment list. Abandonment lists are presented to a Court of Common Pleas Judge to have unclaimed monies forfeited to the Sheriff.
- Monies were incorrectly deposited based on the Court's ruling on the case. These monies should have been returned to owner or notification should have been sent to the Court to have journal entries revised since the full amount was not forfeited.
- Empty evidence bags that contained money were in deposit folders indicating they were deposited, but a forfeiture journal entry did not accompany the empty evidence bag.
- Monies were deposited and forfeiture journal entries were maintained; however, the deposit was made prior to the forfeiture date according to the case dockets.

*See findings on pages 16 and 27 for more details on money discrepancies.*

**FINDING      There was a Lack of Surveillance and Security Controls of Property and Evidence in the Unit.**

All property and evidence obtained by the Office should be safeguarded and accounted for until further action is necessary. IAPE Standard 8 states that a written policy should be established to ensure unauthorized persons do not enter secured property rooms. The controls include, but are not limited to:

- Key access control.
- Changing locks or access codes with changes of personnel.
- Access logs.
- After-hours procedures.
- Use of surveillance cameras and alarms.

During our review of physical security controls within the Property Rooms of the Unit, a camera and alarm system existed in only one out of five property rooms; however, the camera and alarm system was disconnected. DIA was informed that both have not been functional for many years. The Unit did not have adequate controls in place to assure physical security controls were in place over property and evidence. During the course of the audit, the Unit was in the process of installing cameras in and around all five property rooms.

**Risk to the Sheriff if Findings Not Corrected**

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Failure to have some form of internal guidance may result in undefined procedures that can lead to inconsistency in the handling of property and evidence as well as actions and discipline that are inconsistent with the intentions of management. Retaining more currency than necessary requires increased monitoring in the Property Rooms and increases the risk of theft.

Property and evidence could be misplaced or mishandled by unauthorized individuals when the responsibility is not given to a specific individual. In addition, the current employees in charge of the Property Rooms will continue to work outside of their duties and normal work schedule if a property officer position is not created.

Failure to implement stronger internal controls and lack of communication with other agencies could lead to overcrowding in property rooms with old cases that should have been identified and destroyed.

Without effective physical security controls, including cameras in every property room, the Unit is at risk of unauthorized access, theft, or tampering with property or evidence. Tampering with evidence could alter

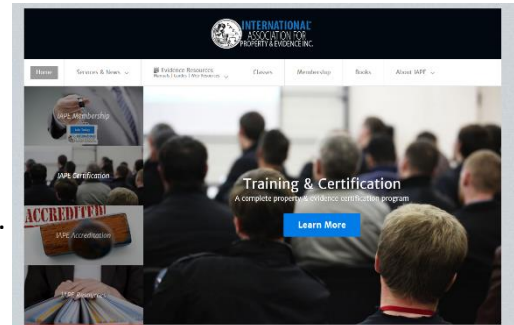
the chain of custody which could ultimately affect a criminal case in the legal system.

## Recommendations

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**1.1** The Office should develop a policy and procedure manual on the submission, handling, storage, disposition, and security of all property and evidence. Within the manual, which should be consistent with IAPE Standards, the Office should include the following items, at a minimum:

- Documentary flowcharts or narratives of significant processes describing steps and procedures. Significant processes may include:
  - Receipt of evidence.
  - Packaging and labeling.
  - Documentation.
  - Assignment of storage locations.
  - Temporary releases/movement.
  - Tickler files.
  - Purge review protocols.
  - Disposition/destruction of evidence.
  - Auction.
  - Housekeeping.
  - Audits.
  - Inventories.
- Requirements on logging evidence in and out of the evidence tracking system including authorizations, minimum input requirements and signatures.
- Assigning responsibilities to specific individuals.
- Procedures for periodically reviewing activity in the evidence tracking system.
- Safeguarding procedures for all items of property and evidence.
- Procedures for disposal of property through deposit, forfeiture, or return to owner.
- A list of standardized forms and reports utilized including a description of their purpose.
- A policy on physical security controls should include procedures on periodic review of the surveillance cameras. IAPE Standard 8 suggests digital data of all cameras should be stored for at least three years so it is available to investigators should it be discovered that evidence is missing.
- Procedures on the retention of currency held as evidence should be revised. New procedures should include a process for depositing any amount over a set threshold or making regular deposits of all currency received when the actual currency submitted is not deemed to be of particular value to the prosecution of the case. After cash is deposited and final disposition is known, the Unit can disburse the money by check to the court ordered destination.





The manual should be reviewed and updated annually by a supervisor or Property Officer to ensure that policies and procedures are up to date, necessary, and feasible. This manual should be approved by the Sheriff.

**1.2** The Sheriff should consider creating the position of Property Officer to oversee and monitor property and evidence. We also recommend the Property Officer become certified according to IAPE standards. Specific to property and evidence received by the Office, the Property Officer would be responsible for the following as noted in IAPE standards:

- Ensure that incoming property/evidence is packaged in accordance with agency guidelines.
- Preserve all incoming property/evidence from contamination, theft, or loss.
- Maintain and update documentation with tracking information, commonly known as the “chain of custody”.
- Enter necessary data into the property unit tracking system (BEAST).
- Ensure that all releases and dispositions of property/evidence are legal and accurately documented.
- Arrange and document interim releases and returns of evidence for court, crime lab analysis, or investigative use.
- Operate property management software and information systems, as needed.
- Prepare and forward property-related forms to requesting units and agencies.
- Serve as the liaison for property and evidence matters between the agency and other local, state, and federal law enforcement agencies.
- Maintain current knowledge of federal, state, and local laws related to property/evidence management.
- Provide for maintenance of the storage facility.
- Inventory property/evidence based on the policy demands (Use of BEAST and periodic audits) of the agency.
- Ensure that all efforts are taken to make the Property Rooms as safe as possible for employees as well as property/evidence (i.e. compliance with environmental codes and installing fire suppression systems).
- Store property/evidence in the designated storage area.
- Limit access to the Property Rooms to only authorized individual(s) and maintain access logs.
- Ensure security for the Property Rooms is adequate.

**1.3** We recommend the Unit seek opportunities to improve information flow regarding case status and therefore evidence disposition. The Unit should establish procedures to assure cases are reviewed in a timely manner. Case close out procedures should be established to include the following:

- Develop application controls in the BEAST to notify (by email) the case officer and/or Sergeant/Property Officer to research a case. The alert date can be put into the BEAST when evidence is submitted by the submitting officer.
- Continually monitor short-term cases to help reduce the amount of evidence in Property Rooms.
- Communicate with the Prosecutor's Office and Courts to develop a system for receiving forfeiture journal entries and requests to release items. Information should be accessible via secure online applications to eliminate handling of paper and mailing costs.
- Provide notes or create a code in the BEAST to be used internally to track which cases an officer has been researching and the status of the case.
- Assure all supporting documentation (signatures, identification, journal entries, empty evidence bags, etc.) is maintained with items designated as returned to owner, transferred to other agencies, signed out for review, deposited, destroyed, or disposed in any other way.

**1.4** The Sheriff should install video surveillance cameras in all property rooms within the Office. All doors into a secure area should be equipped with cameras in addition to those areas where guns, money and drugs are stored.

## Management's Response

*The Sheriff's Department has created a Property and Evidence Procedure Manual for its personnel. The manual covers proper handling, packaging, and labeling of all evidence and property submitted. In addition to the evidence manual, the Sheriff's Department created a Policy titled "CCSD Evidence and Property Policy 301". The manual covers receipt of evidence, packaging and labeling of evidence/property and documentation of all evidence within the BEAST system. Since the time of the audit, the Sheriff's Department has set up nine additional temporary storage lockers, which were put into service to help control the movement of evidence. In regards to the Department having a written policy to establish a procedure for closed cases, the Department does not have one in place, however all required information is given to the Prosecutor's Office and final disposition is approved by the court. Once the judge has given his/her approval items can be destroyed, put into service or auctioned. A disposition tracker was created within the BEAST system to be distributed to case officers so they can inform evidence personnel that items can either be disposed of or returned to its owner.*

*The Sheriff's Department has set up a separate bank account for currency submitted into evidence. A policy and procedure manual is also being implemented for same. The policy should be in place by April 1, 2018. Since the audit, all hard copy receipts of currency and or items returned to owners are kept in a separate folder to include owner identification, finger prints and signatures. All currency deposits are retained in a separate folder to include a report of all currency deposited, copies of all money bags and journal entries with correct forfeiture amounts. No currency deposits are done without a certified journal entry. Along with hard copies, digital copies are kept on file.*

*Security cameras were installed outside of all five evidence rooms. The Department has received quotes which have not been finalized and will ultimately need approval for additional cameras to be installed within the evidence rooms and in the Narcotics supply room where the money drop chute is currently located. There also is some delay due to the fact that the Department may relocate the evidence property rooms to a different location, possibly centralizing everything into one area. The fifth evidence room (Civil gun room) is going to be cleared of all weapons. All weapons to include handguns and long guns will be stored in the gun vault located in evidence room two. The Department implemented these changes before April 1, 2017. The Sheriff's Department has implemented a two man rule when entering any evidence room. This has been further expanded to include one person to have key access and one person to have door code access.*

*Currently the evidence unit is part of the Narcotics unit and is being managed by one Evidence personnel with multiple responsibilities and a Sergeant assigned to two different units. There have been discussions to make the evidence unit its own unit, separate and independent from other units in the Sheriff's Department with a full time Sergeant and two evidence technicians. A posting has been approved and posted to fill a position of evidence personnel.*

## **Objective #2 – Effective Controls and Systems were in place on Property Room Collections and Disposals.**

### **FINDING Items were not Consistently Organized in the Property Rooms nor was there a Centralized Storage Location for all Property and Evidence**

The Court and Prosecutor's Office rely on the Sheriff to secure and organize property and evidence collected by the Office. Submission of property and evidence into a designated property room is a never ending process. Having effective controls in place to monitor long-term and short-term evidence items is important to the Unit's Property Rooms.

The Office did not have one central location for the storage of property and evidence. Instead six locations were utilized. Five locations were scattered throughout the Office on the second and third floor along with the Sally Port in the Office's garage. The sixth property room is an off-site secured garage used to store vehicles.

Furthermore, the Unit stored evidence by general categories and wherever space was available. For example, money and firearms were stored in their own locations. Other items and drugs were not sorted by offense class such as misdemeanor or felony, were typically not sorted by crime nor were they sorted by date of collection. Items that required long-term storage were mixed in with

items that should have had a faster turnaround time. When officers were in need of a specific item they had to look through all types of items to find the specific item. Individual packages (bags, envelopes, etc.) were tracked in the BEAST and the item could be located within a given container or bin, however the process of locating the exact item was more time consuming due to items being mixed together in a container or bin. Prior to and during DIA's audit, the Office was in the process of organizing the Property Rooms and destroying old evidence, as necessary.

Although there has been a dramatic change in the condition of each property room during the audit, the Property Rooms have never been designated for property and evidence only. As each location becomes filled another location is found to store the additional property.

## **FINDING      System Reports from the BEAST were not Fully Utilized by Unit Personnel**

*See page 16  
for more  
details on  
sample tested.*

The BEAST is a critical system in assuring property and evidence maintained in the Property Rooms are accurately recorded and secured. During our walk-through and testing of property and evidence in the BEAST, we noted system reports were not fully utilized by supervisors and staff within the Unit. In particular, during our review of drop chutes 1 and 2 located in the Office, we noted the amount of items on the BEAST report was greater than the amount of items in the drop chutes. For example, drop chute 2 had zero items in it, but the BEAST report claimed there were 78 items. DIA chose a sample of items to review in drop chutes 1 and 2. The Unit agreed to research the remaining items.

Also, the BEAST contains an audit log showing every transaction that occurred in a particular time period. This function of the BEAST is not utilized to its potential and was never reviewed by a supervisor familiar with Property Room procedures.

Reports from the BEAST are printed by the Sergeant in the Unit for each property room on a periodic basis. A Detective and the Sergeant perform audits on each room to assure all evidence is correctly labeled in the BEAST; however, this process is performed by an individual with administrative access to the BEAST and access to all Property Rooms. The Detective is a staff member who may have administrative access to the BEAST, as well.

Having administrative access in the BEAST allows a user to perform any function in the system. This includes:

- Edits, deletions, and additions of evidence.
- Review reports and audit logs.

- Add users and change passwords.



## **FINDING Items in Property Rooms Were Unsubstantiated or Inaccurately Labeled in the BEAST and Log Books.**

Property and evidence stored in the Property Rooms were not accurately accounted for in the BEAST and log books. All property, found or seized, should be secured and monitored in the Property Rooms, pending the time it is no longer needed. Property and evidence consists mostly of money, drugs, weapons, power equipment, and vehicles.

DIA reviewed the BEAST and log books and attempted to confirm if property and evidence was accurately labeled and stored in the Property Rooms. Log books were used by the Unit prior to converting to the BEAST in 2008. In 2013, the Unit was attempting to locate all items in the log books that were still in the Property Rooms and record them into the BEAST. We performed tests on (1) currency and valuables, (2) seized vehicles, and (3) other items (guns, drugs, equipment, etc.) stored in the Property Rooms.

### **Currency and Valuables**

The IAPE established guidelines on storing evidence money in property rooms. In Section 10.3, the IAPE states, "Money is considered a high profile item and requires the highest level of internal controls." Money taken in as evidence by the Office is stored within the Unit in the money vault property room.

DIA performed a count of all (100%) monies and valuables stored in the Unit's Property Rooms. Money is separated into specific bins and lockers within the money vault property room. The Unit provided reports, by bin and locker, from the BEAST of all monies that should be in the money vault. Each money bag (item) was opened, counted and compared to the BEAST reports. Any item not found on the BEAST report was further investigated. The table below highlights instances noted by location during our count:

Location	Total Tested (Items)	Number of Items with Description Errors Entered in BEAST (A)	Number of Items Stored in the Wrong Location	Number of Items with Duplicate Entries	Number of Items Not Found (B)	Number of Items with Other Discrepancies (See Notes Below)
Main Drop Chute	50	1	0	1(\$370)	1(Cell Phone)	7(C)
Drop Chute 1	2	0	0	1(\$307)	1(\$114)	0
Drop Chute 2	2	0	0	0	0	0
Money Vault	4	0	0	0	1(\$80)	0
Lockers	403	8	2(\$50)	0	0	1(D)
Cases Older Than 3 Years Bin	86	2	7(\$7,998, includes \$60 counterfeit)	0	0	0
For Deposit Bin	19	1	0	0	0	1(E)
Returned to Owner Bin	72	6	1(\$20 counterfeit)	0	5(F)	4(F)
<b>Totals</b>	<b>638</b>	<b>18</b>	<b>10</b>	<b>2</b>	<b>8</b>	<b>13</b>

**(A)** Includes money, gemstones, cell phones, and jewelry tested by DIA. Differences existed between the BEAST and DIA's count. For example, DIA counted \$351 in one evidence bag from a locker in the money vault, but the BEAST's description was entered as \$151 in the evidence bag.

**(B)** Includes money and a cell phone. These items were not confirmed as being in another location or disposed (i.e. returned to owner, transferred to other agencies, or deposited). All monies unsubstantiated were noted in summary on page 34.

**(C)** Seven evidence bags totaling \$4,231 were found in another property room other than the money vault. Processes in place at the time of audit would have required these evidence bags to be in the money vault and not the property room they were found in. All monies were placed in the money vault upon discovery. Two of the seven items found, totaling \$369, were marked in the log book as "deposited" and signed by the former Captain.

**(D)** This item was labeled in the BEAST as being \$441 in U.S. currency. Support (identification and signature) was properly maintained as being "returned to owner". This bag was turned over to Protective Services on a Friday, who turned the \$441 over to the Prosecutor's Office on a Saturday. DIA noted a receipt was printed from the BEAST and labeled "returned to owner", but the item was noted in the BEAST in locker #26. After further investigation, the "returned to owner" transaction in the BEAST was deleted. DIA requested information from the Prosecutor's Office to identify the purpose for receiving the money and to assure the money was collected. DIA did not receive evidence to satisfy our objective and no response was received from the Prosecutor's Office.

**(E)** An empty evidence bag that, at one time, contained \$428 was found in a deposit folder for the 12/22/2011 bank deposit, but the BEAST report states the money was in the "For Deposit" bin. DIA believes, based on additional testing on bank deposits (see page 27), the item may have been deposited on 12/22/2011, but the item was not correctly changed in the BEAST after the deposit.

**(F)** Items totaling \$13,678 were not found in the "return to owner" bin as noted in the BEAST. During DIA's test of disposed monies (bank deposits, money returned to owner, etc.), four empty evidence bags totaling

*\$1,872 were located in two deposit folders and signed by the former Captain indicating he opened the bag for deposit. No money was found inside the bags which would indicate the monies would have been deposited; however, the items were not included in the bank deposits and the deposits were considered short by a total of \$1,872. DIA was unable to find any support the other five items, totaling \$11,806, were disposed or in any other property room. All monies unsubstantiated were noted in summary on page 34.*

In summary, during the test of money stored in the money vault, DIA discovered \$13,872 of money evidence was not found or supported, if disposed. DIA reviewed all deposits, transferred to other agencies, and the returned to owner support but did not find support that money was signed out or deposited. Additionally, this money was not found with any other items in any of the Property Rooms. See page 33 for a summary of all unsubstantiated amounts.

**Seized Vehicles**

The Office has been limited on available vehicle storage areas. Vehicles seized by the Unit are stored in a garage under a bridge until the method of disposition is determined by the legal system. A review of the vehicle storage facility revealed that all cars are at risk of being damaged with salt, water, and snow from the roadway above. Many cars have already rusted due to salt and water damage. In addition to the conditions noted in the garage, we noted the locked gated area inside the garage where some vehicles were stored was over capacity. This results in some vehicles being stored outside of the locked gated area that is accessible to employees in Public Works.

Also, the Unit lacks sufficient record keeping on disposition of seized vehicles. Many vehicles were labeled as being in a property room when the vehicle was disposed by tow, GovDeals, or used by another County agency. We also found vehicles in the vehicle storage garage not in the BEAST. See the table below for results of 95 vehicles tested. 87 vehicles were selected from the BEAST and Log Books and 8 were found in the Vehicle Storage Garage that were not in the BEAST. 71 vehicles noted in the BEAST and Log Books were incorrectly labeled in the BEAST and Log Books (highlighted in red).

Location Labeled in BEAST/Log Book	# Sold on GovDeals	# Towed	# In - Service	# Returned to Owner	# In Vehicle Storage Garage	# Not Located or Disposition Not Verified
In evidence (Log Books)	13	3	2	1	1	3
Property Room 1	-	2	-	-	12	-
Drop Chute 1	3	3	1	-	8	3
Property Room 3	-	-	-	-	1	-
Property Room 4	-	-	-	-	1	-
Vehicle Storage Garage	5	1	5	1	16	2
Not Found in BEAST	-	-	-	-	8	-
<b>Total</b>	<b>21</b>	<b>9</b>	<b>8</b>	<b>2</b>	<b>47</b>	<b>8</b>

In addition, DIA had to obtain supporting documentation from OPD on vehicles sold through GovDeals. The Unit did not maintain support for all items sold on GovDeals.

### Other Items



The remaining property and evidence not tested above was haphazardly selected using sampling methods. We selected items from the BEAST and log books to agree to the Property Rooms (vouched) and physically selected items from the Property Rooms to agree to the BEAST (traced). DIA tested more items from the BEAST than the log books due to the BEAST consisting of more current evidence (2008 to 2013) and the log books consisting of older evidence (preceding 2009). Items selected from the log books dated back to seizures in 2006. Sample sizes and summary of discrepancies are noted in the following tables.

**Total Population and Sample Sizes**

Source	Total Population	Vouching Sample Size	Tracing Sample Size	Total Sample Size
BEAST	11,450	497	219	716
Log Book	1,393	60	0*	60
<b>Totals</b>	<b>12,843</b>	<b>557</b>	<b>219</b>	<b>776</b>

\*Test was not performed due to the majority of the items being scanned into the BEAST from the log books before DIA's audit.

**Summary of Discrepancies**

Description	Total # of Issues	# of Issues from BEAST	# of Issues from Log Book	Specific Items With Issues
Item not found in Property Rooms	34	20	14 (Further Details in Note A Below)	Drugs (2), Proof Sets/Misc. Coins (8), Jewelry (1), Cell Phones (4), Guns (2), Vehicles (8), Electronics (1), Other^ (8)
System location was incorrect or Item was misplaced	163	163	0	Drugs (12), Jewelry (2), Cell Phones (10), Guns (13), Vehicles (75), Electronics (4), Equipment (10), Other^ (37)
System description was inaccurate (missing serial number or wrong item)	11	11	0	Drugs (1), Guns (8), Other^ (2)
Unsecured item packaging (unsealed, incorrect BEAST sticker, or no BEAST sticker)	6	6	0	Guns (1), Other^ (5)



Item inaccurately marked in Log Book	28	0	28 (Further Details in Note B Below)	Exercise Equipment (2), Vehicles (21), Electronics (4), Other^ (1)
<b>Totals</b>	<b>242</b>	<b>200</b>	<b>42</b>	

*^ Other items include miscellaneous paperwork, grow lights, fans, knives, fur coat, and a check to the Department of Treasurer's.*

*(A) Eight items not found in the Property Rooms were miscellaneous coins from one case in the log books and included multiple years of proof sets, coins, and Morgan dollars. The items in the log books were not marked with any type of disposal which indicated they should still be in evidence.*

*(B) Two items were exercise equipment (Tread Climber and Elliptical). These items were forfeited to the Office and used in the Office's weight room. After the Office bought new equipment, the tread climber and elliptical were given to the City of Cleveland Bailiffs to be used in their weight room. DIA verified the equipment was in the City of Cleveland's Bailiff's weight room, but the log book was not marked with any notation of disposal.*

## **FINDING      Items Signed Out from Evidence were not Supported with Adequate Documentation**

All items in the Property Rooms can be signed out for review, returned to owner, deposited in the Sheriff's LETF bank account, transferred to another agency, forfeited to the Office, sold on GovDeals or scrapped. DIA reviewed procedures in place for signing out evidence to assure all items not belonging to the Office are appropriately handled and accounted for.

DIA obtained a report from the BEAST containing all items signed out for review, returned to owner, deposited, forfeited to the Sheriff, and transferred to another agency. DIA also selected items noted as such from the log books. The Unit has controls in place to assure supporting documentation is maintained with signatures and photo identification for items disposed in a manner noted above. However, no written procedure manual is in place. DIA performed a 100% test on all money returned to owner, deposited, and transferred to another agency from the BEAST and log books. All other items from the BEAST and log books that were returned to owner, forfeited to the Sheriff, signed out for review, or transferred to another agency were haphazardly selected. See the table on the following page for the sample size and instances noted during our testing:

Disposition	Total Population	Sample Size	Number of Items with Significant Deficiencies (A)	Number of Items with no supporting documentation found in the Unit's files	Number of Items not found in the log book, but support was maintained for return to owner	Number of Items with Other Instances (See Notes)
Monies Returned to Owner	181	181	11	22(B)	2(\$2,453)	3(C)
Other Property Returned to Owner	1,181	36	13(D)	0	0	1(E)
Signed out for Review	66	11	10(F)	0	0	4(G)
Monies Transferred to Other Agency	40	40	20	26	0	1(H)
<b>Totals</b>	<b>1,468</b>	<b>268</b>	<b>54</b>	<b>48</b>	<b>2</b>	<b>9</b>

**(A)** Significant deficiencies include missing documentation that should have been maintained to prove the item was returned to owner, i.e. owner's signature and identification, empty evidence bag, proof of car ownership, etc. This also includes the failure to note a reason in the BEAST for signing evidence out for review.

**(B)** Three of the 22 evidence bags were found, opened and empty, in a safe in the office of the former Captain of the Unit. The three items totaled \$10,833. All three items' status in the BEAST were changed to "returned to owner" by the former Captain. Two of the three items were changed to "returned to owner" on 8/31/2012 within minutes of each other, as documented by the entry made in the BEAST. In addition to the three mentioned above, DIA noted five other money items totaling \$9,499, that were noted in the BEAST as "returned to owner" by the former Captain, but no supporting documentation (signatures, driver's license, and empty evidence bags) was found. All five items' status in the BEAST was changed to "returned to owner" on 2/15/2013 at 3:36 p.m. by the former Captain. DIA also noted letters were sent to the owners for all eight items around January of 2013. All eight letters were returned to sender due to bad addresses, which indicates the owners did not receive the letters and were not aware the money was available to be picked up. No support (signatures in log book) was found for the remaining 14 money items stamped in the log book as returned to owner. These cases were from 2004 to 2007 totaling \$9,720. All monies unsubstantiated were noted in summary on page 34.

**(C)** Support for money returned to owner in one out of 181 items tested was found in the Unit's files, but the item did not appear on the "returned to owner" report from the BEAST. After further review, the BEAST showed the money was in property room #3. A duplicate sticker was erroneously printed for two items in the same case (a safe and money). The money appeared to be taken out of the safe and placed in the money vault while the evidence was submitted. The submitting Detective did not separate the money and safe into two items. The Detective printed two stickers for the safe and money with the same item number. After further review of the chain of custody in the BEAST, the money evidence bag was scanned as returned to owner prior to the safe being scanned into property room #3. The last location of the safe was labeled in the BEAST as the most recent change of custody for either item since duplicate stickers were printed and

used for both items. This is the reason the money item did not appear on the "returned to owner" list. The Sergeant created a new item number for the safe on the day of the audit. In 2 out of 181 items tested a check was issued to the person picking up the money. In review of the bank deposits, DIA could not confirm the monies were previously deposited into the Sheriff's LETF bank account. Cases were from the log book in 2005 and 2007 totaling \$625.

**(D)** These items included three computers, a generator, a ladder, a saw, and two vehicles from the BEAST. The remaining items included five vehicles from the log books.

**(E)** A vehicle was incorrectly labeled in the BEAST as "returned to owner". The vehicle was towed by a tow company after the owner did not pick the vehicle up. The vehicle should have been labeled in the BEAST as "towed".

**(F)** These items included: five computers, a tablet, a keyboard, a cell phone, a DVD system, and a printer.

**(G)** Three items appeared to be signed out for an unreasonable amount of time (more than 1 year). The oldest item signed out for review was from a case in 2008. All three items were electronics and found in the Office's forensic lab during the audit. One item, an EIG Model Revolver, was found in one of the Property Rooms and should not have been labeled as signed out for review in the BEAST.

**(H)** DIA noted an item was erroneously duplicated as "transferred to other agency" in the BEAST with the same case number and a different item number, totaling \$12,740. Item number 002 was cash that should have been labeled as "deposited" since it was taken to the bank to be counted and issued in the form of a cashier's check. Item number 003 is correctly labeled "transferred to other agency" since this was the cashier's check from the cash deposited (item number 002) that was given to DEA. Since a cashier's check is required by federal agencies, the Unit creates another item number for the cashier's check after the cash is deposited.

## **Risk to the Sheriff if Findings Not Corrected**

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Unorganized and crowded property rooms could lead to missing evidence, breaking the chain of custody, and/or increasing the opportunity of theft in the Unit. Failure to have adequate controls in place to maintain supporting documentation and accurately update the BEAST may result in undefined procedures leading to inconsistent operations.

Providing safe conditions for storing vehicles may decrease the amount of liability the Office could be responsible for if a car is damaged before it is returned to the owner. Furthermore, keeping vehicles safely stored could result in longer useful lives on vehicles used by the Office and increased proceeds when sold to the public.

The BEAST has not been fully utilized in the past due to understaffing and the absence of a Property Officer. Lack of management review of audit logs in the BEAST can result in unauthorized transactions and deletions of case information. The opportunity of unauthorized access or theft may increase without periodic review of property and evidence within the Property Rooms.

## Recommendations

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- 2.1** The Sheriff should consider utilizing one centralized location for all evidence to help protect the chain of custody and prevent overcrowding of the Property Rooms. The centralized location should be highly secure and enclosed. Additionally, this location should be large enough to contain all evidence from the Office, including vehicles, if possible. A new location should be away from conditions causing damage to vehicles or other costly items.
- 2.2** The Unit should develop procedures to monitor and arrange evidence effectively to create a much faster turnaround. Specifically, we recommend the Unit arrange inventory by age, type of crime and how long the item is expected to be held. The Unit should also consider grouping like sized items together so inventory can be monitored in terms of volume, not only number of items. If items are stored by similar offenses and statute of limitations, it would be easier for the Unit to track items to be released and easily analyze data to determine which types of evidence are contributing to the growth of inventory.
- 2.3** The Unit should utilize all functions of the BEAST. Specifically, we recommend the Sheriff implement controls to address the following:
- Audit log reports should be reviewed on a regular basis, i.e. monthly, for transactions by individuals with administrative access. This review should be by a manager without administrative access to the evidence management system. In particular, all deletions or edits to data should be reviewed along with being approved at the time of the deletion.
  - Periodic surprise audits of the Property Rooms should be conducted by an individual independent from the BEAST and Property Rooms. A random sample of items should be selected by a Sergeant or higher rank from another Unit, or an independent auditor. The selected items should be traced from the BEAST to the items' location in the Property Rooms or to support, if disposed.
- 2.4** Controls should be implemented to assure the location of all items are accurately displayed in the BEAST. Specifically, the following controls, at a minimum, should be implemented:
- Major changes, such as deletions or case information edits of items, involving evidence in the BEAST should be reviewed with the Case Officer and Supervisor before the Property Officer makes a change.
  - All drop chutes should be reviewed on a daily or weekly basis. After all the items are removed and scanned into a property room, a drop chute BEAST report should be printed and a further review should be done for items on the report that are not actually in the drop chute.

- A second officer or supervisor should be counting evidence monies and reviewing the BEAST and search warrant inventory list to assure the correct amount was entered.
- Review court dockets for cases involving money on a regular basis, possibly monthly, to stay up-to-date on forfeited and returned to owner monies.
- All support should be maintained for items returned to owner, signed out to another agency, and monies deposited. A supervisor should be reviewing the BEAST to assure all statuses are accurately updated.
- A review should be periodically performed, i.e. monthly, on forfeited money deposited into the Sheriff's LETF bank account. This review should be done by a person independent of the bank deposit process. The reviewer should compare bank deposits to the total amount of empty evidence bags maintained to support the deposit. The empty evidence bags should be accompanied and agreed to forfeiture journal entries. The BEAST should be updated as "Deposited" with the deposit date, once the money has been taken to the bank.
- Maintain supporting documentation for items returned to owner, deposited, transferred to other agencies, and forfeited to the Sheriff. The BEAST should display the signature of person receiving the property.
- All items should be located in the appropriate property room (i.e. all money in money vault or all vehicles in designated vehicle location).
- Include "location" statuses that correspond to the item's current location in the BEAST (i.e. item put into service).
- All items in the log book should be signed off when put into the BEAST, returned to owner, deposited, forfeited to the Sheriff, or transferred to another agency.

**2.5** The Unit should develop procedures to assure all items signed out to be reviewed, returned to owner, forfeited to the Sheriff, deposited, and transferred to another agency are appropriately handled. To improve internal controls over signing out property, we recommend the following:

- Supporting documentation should be maintained for all vehicles towed, sold on GovDeals, and returned to owner.
- The actual disposition of vehicles should be labeled in the BEAST. For example, a towed vehicle should be in the BEAST as "towed", not "returned to owner". In addition to towed vehicles, the BEAST should have a disposition code for sold and in-service items.
- Items returned to owner should be well documented to prove the item was returned to the correct person. Adequate documentation includes signatures, copy of driver's license, or power of attorney if received by someone other than the owner.
- The evidence bag, if applicable, should be maintained with the signature of the Unit employee that opened it.

- Supporting documentation should be signed by two employees in the Unit verifying the correct amount of money or correct item was given to the owner or agency.
- Items signed out for review should be properly documented in the BEAST with a signature and reason for the item being signed out.
- Items should not be signed out for review for an unreasonable amount of time, i.e. more than six months.
- A review should be periodically performed, i.e. quarterly, on items signed out to assure all items signed out for review are accounted for and timely returned.
- Proper notification up the chain of command should be established for issues with missing evidence. If a Sergeant cannot find a specific item in the property room, he should notify the Lieutenant and Captain. The Captain should make a decision on how to proceed and notify the Sheriff of the issue.

## **Management's Response**

***Currently there are five evidence rooms; however, the Department is considering moving the evidence rooms to one centralized location. This move is contingent on space availability. The unit is currently in the process of implementing a policy for case officers to turn in certified sentencing journal entries at the disposition of all cases. Items are currently stored by classification, i.e., misdemeanor and felonies. Misdemeanors are stored by year and Sergeants overseeing the unit have discussed sorting felony cases by year. This would aid in locating evidence and in determining what type of evidence are contributing to the growth of inventory.***

***Currently there is no audit made in reference to any transactions made by anyone with administrator access. Administrators do however make notations within the BEAST as to why any deletions or edits are made in the BEAST system. If errors are made in regards to currency and or duplicate items, deputies are asked to type a CS-35 (Report) to explain the discrepancy. As of this date no surprise audit of the evidence rooms, utilizing a Sergeant or higher rank from another unit, has been conducted and no discussions have been made into the matter.***

***Since the time of the audit the Sheriff's Department's evidence unit has implemented a procedure to review all drop chutes and temporary evidence lockers every Monday morning. After transferring items from temporary locations, a second report is run on the locations to ensure items have been removed. If any items are still showing in the temporary locations after being removed, a review is conducted to find the discrepancy.***

***Since the audit, all currency turned into evidence to include found money is counted by at least two deputies and a supervisor if available at the time of collection. All denominations are accurately depicted onto the evidence bag. Evidence is then logged into the BEAST system to reflect total amount collected and denominations. The evidence unit supervisor and one personnel then verify the count and denomination of the currency before placing the currency into the money vault or bank account.***

***Since the audit all hard copy receipts of currency and or items returned to owners are kept in a separate folder to include owner identification, finger prints and signatures. All currency deposits are in a separate folder to include a report of all currency deposited, copies of all money bags and journal entries with correct forfeiture amounts. No currency deposits are done without a certified journal entry. Along with hard copies, digital copies are kept on file. Supervisors are reviewing the BEAST printouts and ensuring all statuses are updated. After all deposits are made into the Sheriff's LETF bank account a report is generated and forwarded to the Business Services Manager in the Sheriff's Fiscal Department along with certified journal entries showing the amount forfeited to the Sheriff's Department and copies of the evidence bags showing the amount that matches the journal entry. The Business Services Manager does not take part in the deposit process and is not an administrator with the BEAST program. The Business Services Manager reviews all reports and supporting documents to ensure all money has been deposited.***

***In regards to items being placed into service that item is notated in the BEAST comment box to show where that item is placed into service. Since the time of the audit, evidence unit personnel have been attempting to enter all pre-beast evidence into the BEAST system. Once evidence is entered into the BEAST system, from the old log books, it is noted in the evidence log book that it was entered into the BEAST system, reflecting the date and personnel entering the data.***

***Supporting documents are maintained for all vehicles towed, sold on gov-deals and returned to owners. Proper dispositions are noted in the BEAST system for the above stated vehicles. Vehicles that are entered into the BEAST system as evidence and then later towed to the towing agency are updated in BEAST to "transferred to other agency", to reflect the name of the towing company, name of the driver towing, date and time of towing.***

***When returning evidence (property or currency) or depositing currency it is procedure for evidence personnel to photo copy the evidence bag as well as maintaining all supporting documents to include signatures, identifications and fingerprints.***

***Currently all items signed out for reviews are documented in the BEAST system with signatures of the deputy receiving the item. A reason for the review may or may not have been always documented, however it can easily be implemented. No policy or procedure has been discussed until this audit regarding reviews of "signed out for review". We will take the recommendations and discuss this matter further and possibly implement a policy and procedure in regards to the "signed out for review" evidence.***

### Objective #3 – Suspected Property Room Theft was Supported.

#### **FINDING Total Amount of Monies Forfeited to the Sheriff Exceeded Monies Deposited into the Sheriff's LETF Bank Account**

Having effective controls in place on depositing forfeited monies into the LETF is essential to the Sheriff's daily operations. All seized monies are ultimately transferred to another agency, returned to owner, or deposited in the Sheriff's LETF bank account after final disposition of the court case. Forfeiture journal entries are court rulings on property and evidence seized by the arresting agency. The Office cannot take control and deposit seized money until the judge rules forfeiture to the Office. The Unit researches closed cases in the court's case docket to verify if forfeiture occurred. Adequate supporting documentation (case docket journal entries, duplicate deposit slips, and empty evidence bags) should be maintained for all deposits of forfeited monies in accordance with the Unit's Record Retention Schedule. The Unit is responsible for making deposits into the Sheriff's LETF bank account.

DIA performed a test on all forfeited monies deposited into the Sheriff's LETF bank account from 2004 to 2013. The audit period was extended for this test due to a suspected theft in office at the time of the audit by a former Captain involved with the deposit process. DIA obtained the property log books and BEAST reports of all money items listed as "deposited". DIA tested the operating effectiveness of controls during deposits of forfeited monies and noted multiple instances of control failures from deposits made for the years 2004 to 2013. According to the Sergeant at the time of the audit, all monies deposited required a signature in the log books or BEAST, a signature on the opened and empty evidence bag, and a signature on the forfeiture journal entry. These unwritten procedures were set by the former Captain of the Unit.

DIA was only provided with bank statements from the bank for 2007 thru 2013. For deposits prior to 2007 DIA reviewed bank statements maintained by the Unit, if found. Any other deposit dates noted in the log books were compared to the Sheriff's Fiscal Department's revenue and disbursement database. During our review of deposits from 2004 to 2013, DIA noted the amount of support was calculated to be \$203,994 more than actual bank cash deposits of forfeited monies which indicates a shortage in the bank deposits. The table on the following page represents our findings during testing of these bank deposits:



Year - # of Deposits	Shortage Y/N Amount	Number of Items Deposited	Number of Empty Evidence Bags Not Found	Number of Items Not Following Procedure (A)	Missing or Incorrect Forfeiture Order (B)
2004 – See Note (A)	Y - \$167,020	See “Summary of 2004 Deposits” on page 31.			
2005 - 5	Y - \$177	50	1	15	2
2006 - 4	Y - \$22	19	1	1	11
2007 - 4	N	49	0	19	7 (C)
2008 - 3	Y - \$22,630	175	4	30 (D)	11
2009 - 4	Y - \$2,776	63	1	25	6
2010 - 2	Y - 2,872	85	1	4	11
2011 - 2	Y - \$8,445	187	17	5	28
2012 - 2	N	19	0	0	0
2013 thru 8/30 - 1	N	55	0	0	0
<b>Totals</b>	<b>Y - \$203,942</b>	<b>702</b>	<b>25</b>	<b>99</b>	<b>76</b>

**(A)** This column includes the following types of procedural failures: Log books not stamped deposited, log books not marked with a deposit date or log books marked with wrong deposit date, no signature of person making deposit in log book, empty evidence bag not signed, currency was found in bag in deposit folder (i.e. \$1 bill, \$300 Jamaican currency, and a suspected counterfeit \$50 bill was remaining in evidence bags), item not found in log book, and/or support (empty evidence bag or journal entry) for deposits found in another deposit folder.

**(B)** No forfeiture journal entry was found in the deposit folder or the amount noted on the empty evidence bag, which is presumed to be deposited, did not agree to the forfeiture journal entry.

**(C)** A deposit on 2/20/2007 was only a check for \$28,020.95 that had no supporting documentation for the deposit or any indication of its origination.

**(D)** An abandonment list was found in the 4/18/2008 deposit folder. Two items from the list that were ruled to be forfeited to the Office by the courts were returned to owner prior to the court’s ruling on 4/1/2008. These two items, totaling \$5,287, should have been taken off the abandonment list as they were presumed to be deposited on 4/18/2008.

In addition, DIA further investigated shortages noted above and found additional information on the deposit shortages detailed in the table below. DIA could not reasonably assure if the following monies were deposited. The monies were not found within the Property Rooms during the audit.

Deposit Date	Shortage	Description on Items that do not appear to be a part of Deposit	Item Amount
03/20/2008		One journal entry was found and signed by the former Captain in the deposit folder that was not accompanied with an evidence bag. This amount appears it should have been deposited on 3/20/2008 since other monies from the same case appeared to be deposited on 3/20/2008. This item was marked deposited in log book and initialed by the former Captain with no deposit date.	\$2,620

		Empty evidence bag and journal entry were found in the deposit folder. The journal entry and log book were signed by the former Captain for deposit with a 3/18/2008 date. The bag was signed by a Detective on 3/17/2008.	\$800
		Empty evidence bag and journal entry were found in the deposit folder. The journal entry was not signed by anyone. There were two identical bags for this item. We believe one was inside the other. One bag was signed as opened on 3/17/2008 by the Sergeant at the time. In the chain of custody box, it appears the Sergeant put this bag and money in another bag and put it back into evidence on the same day. On 3/18/2008, the new bag was signed as being opened by the former Captain and does not appear to be a part of the deposit.	\$212
		Empty evidence bag and journal entry were found in the deposit folder. The journal entry and log book were signed by the former Captain for deposit with a 3/18/2008 date. The bag was signed by the former Captain on 3/17/2008.	\$460
		Three items were noted as deposited on 3/20/2008 in the log book, but no support was found in the deposit folder that would indicate these items were deposited. All entries in log book were initialed by the former Captain.	\$2,289
<b>Total</b>	<b>\$6,381</b>		<b>\$6,381</b>
<b>4/18/2008</b>	<b>\$16,249</b>	Empty evidence bag was found in the deposit folder. The evidence bag was the only bag signed by the former Captain to indicate he opened it for deposit. The money was stamped deposited on 4/18/2008 in the log book by the former Captain. This item was also included on the abandonment list of monies the court ruled to be forfeited to the County. On the abandonment list and in the log book, the former Captain signed the money as "TOT (former Fiscal Department employee)". The \$16,000 item was circled on the abandonment list.	<b>\$16,000</b>
<b>5/27/2009</b>	<b>\$2,776</b>	No empty evidence bag was found in the deposit folder. Item was noted as deposited on 5/27/2009 in the log book. It appears the Sergeant stamped, signed, and dated the money for deposit on 5/27/2009. This item was on the same line as another item of money found in the deposit folder. It is unclear whether the Sergeant was stamping deposit for both items or just the item DIA found support.	<b>\$2,776</b>
<b>5/24/2010</b>		One item was noted in the BEAST as deposited on 5/24/2010, but no support was maintained in the deposit folder nor does it appear the item was included in the actual deposit amount. This item was scanned into the BEAST as deposited on 5/24/2010 by the Sergeant on 12/20/2011. He stated the bag was originally in the folder which is the reason he scanned it into the BEAST as deposited. He was looking for the bag since the BEAST stated it was in the drop chute on 12/20/2011, but it was not found in the drop chute. He received the	\$1,000

		deposit folder from the former Captain in which the bag was found on that day.	
		Two empty evidence bags were found in the deposit folder labeled "5/24/2010". At the time of the audit, both items were labeled in the BEAST to be in the "Return to Owner" bin even though these bags were found to be empty in the 5/24/2010 deposit folder. The deposit folder was found in the former Captain's office and the bags were signed by the former Captain as being opened on 5/21/2010. The BEAST labels the bag as being handled by the Sergeant in January 2012 before being put in the "Return to Owner" bin. A Letter was sent to owner to have them pick up the money in 2012, but the letter was returned to the Unit. It appears the bags were put into the deposit folder by the former Captain to appear like the money was deposited on 5/24/2010 even though evidence shows the bags were handled by the Sergeant after the deposit date. DIA confirmed these bags were not deposited after comparing deposit folder support to actual bank deposit.	\$885
<b>Total</b>	<b>\$1,885</b>		<b>\$1,885</b>
<b>12/16/2010</b>	<b>\$987</b>	Two empty evidence bags were found in the deposit folder. It appears the bags were put into this deposit folder to make it appear like the money was deposited. Both items were noted in the BEAST as still being in evidence. The deposit folder was found in the former Captain's Office and the bags were signed by the former Captain as opened on 12/5/2010. According to the BEAST, the bag was handled by the Sergeant in January 2012 and put in "return to owner bin". A Letter was sent to owner to have them pick up the money, but the letter was returned to the Unit due to a bad address.	<b>\$987</b>
<b>9/28/2011</b>	<b>\$500</b>	The shortage was documented by the Sergeant and Lieutenant and communicated to the Captain and Chief at the time through an email. Support was maintained in the deposit folder of the shortage.	<b>\$500</b>
<b>12/22/2011</b>		16 items were noted as deposited on 12/22/2011 in the log book, but no support was found in the deposit folder that would indicate these items were deposited. All entries in log book were initialed by the former Captain.	\$3,196
		One journal entry was found in the deposit folder signed by the former Captain. After review in the BEAST, we discovered four evidence bags should have accompanied this journal entry, but DIA was unable to find them. The BEAST shows these evidence bags as being deposited on 12/22/2011. The former Captain changed the custody to deposited on 12/22/2011 in the BEAST.	\$4,747
<b>Total</b>	<b>\$7,943</b>		<b>\$7,943</b>

*Note: Discrepancies noted above that could not be further explained are included in the summary of all unsubstantiated monies identified during this audit on page 33.*

**Summary of 2004 Deposits**

DIA found LETF bank statements for 2004 in a locked cabinet in the former Captain’s office. The only supporting documentation maintained on the 2004 deposits was one folder labeled "2004 Deposits" consisting of forfeiture journal entries from the court's docket found in the former Captain's cabinet. We were unable to match journal entries to actual bank deposits. No empty evidence bags were maintained. Due to the limited amount of support, DIA calculated the amount that should have been deposited into the LETF bank account by adding the forfeiture journal entries and entries in the log book stamped deposited with a 2004 deposit date. Total population of these money items totaled 244 items. See the following tables for results:

**2004 Bank Deposits vs. Support Maintained**

Description	\$ Amount
Total of Journal Entries Found as Support for Deposit	\$553,778
Items in Log Book Marked Deposited in 2004, but no Support Found	\$156,589
Total Amount that should have been Deposited in 2004	\$710,367
<b>Actual Cash Deposited into LETF in 2004</b>	<b>\$543,347</b>
<b>(Shortage)/Overage of Deposit</b>	<b>(\$167,020)</b>

**Summary of 2004 Deposit Discrepancies**

Description	Total # of Issues	\$ Amount
Money was returned to owner in 2007, but support was found to indicate the money was deposited in 2004	1 (0.4%)	\$280
Money was forfeited to the Sheriff in 2005, but support was found to indicate the money was deposited in 2004	3 (1.2%)	\$23,127
Money was included in a 2005 deposit, but support was found to indicate the money was deposited in 2004	2 (0.8%)	\$3,420

In addition, the log book was stamped by an officer in the Office with 11 deposit dates during 2004, but DIA only confirmed four of the 11 log book deposit dates were cash deposits in the 2004 bank statements. The bank statements did not note deposits for the other eight dates.

**FINDING Monies Noted in Log Book Lacked Information to Support Disposal or was not Found in the Property Rooms**

Prior to 2009, the Unit maintained written log books of all items kept in the Property Rooms. DIA obtained the log book from the Unit and selected all items containing money from cases in 2001 to 2008. We performed testing outside our

audit period due to an investigation of suspected stolen evidence monies by the former Captain of the Unit. A 100% test was performed on all monies to assure accuracy of the log book. Money could have been deposited, transferred to another agency, returned to owner, or still be in evidence. DIA noted stamps and signatures were used in the log book to determine disposition. We noted many instances of inaccurate marked monies. The following tables displays results of all money tested from the log books.

**Total Population and Instances Noted in Log Book**

<b>Notation in Log Book</b>	<b>Total Population (#)</b>	<b>Total Population (\$)</b>	<b>Items Appeared To Have Been Deposited (A)</b>	<b>Items Incorrectly Marked in Log Book (B)</b>	<b>Items with Other Issues Identified</b>	<b>Unsupported (\$) (See Table Below)</b>
<b>Stamped Deposited with no other Information</b>	63	\$51,933	11(\$19,752)	3(\$1,664)	0	\$30,517
<b>Stamped Deposited and Signed by former Captain</b>	126	\$145,968	41(\$74,809)	18(\$16,726)	0	\$55,231
<b>No Notation</b>	120	\$557,363	25(\$32,710)	1(\$476)	1(C)	\$96,563
<b>Totals</b>	<b>309</b>	<b>\$755,264</b>	<b>77 (\$127,271)</b>	<b>22 (\$18,866)</b>	<b>1</b>	<b>\$182,311</b>

**(A)** DIA found support (evidence bags and journal entries) in deposit folders during a test of bank deposits which indicates the money in the bags was deposited. The notation in the log book for these items did not have a deposit date or no notation was placed next to the item. See page 27 for bank deposit test results.

**(B)** Items were stamped deposited, destroyed, forfeited, or no disposal was noted, however, DIA found support (evidence bag, signatures, etc.) for these items being returned to owner, turned over to the FBI, deposited, or verified the money was in the money vault during our count of all monies in evidence. The notation in the log book for these items was inaccurate compared to the actual disbursement or location of the items.

**(C)** One case with the owner as Keith D. had an amount seized of \$690.97. DIA confirmed a portion was deposited (\$561.08) on 4/18/2008 which was the amount forfeited and the supporting documentation in the deposit folder noted the remainder was kept in evidence to be returned to owner. When the remaining \$129.89 was returned to Keith D., a check was issued to the owner implying the money was not retained in evidence after the 4/18/2008 deposit. DIA was unable to determine the disposal method of the \$129.89 of cash since a check was substituted for the actual cash which was not found.

**Unsupported Amounts by Year in Log Book**

Notation in Log Book	Number of Cases	2004 and Prior	2005	2006	2007	2008	Total
Stamped Deposited with no other Information	47	\$8,969	\$8,078	\$8,653	\$4,817	\$0	\$30,517
Stamped Deposited and Signed by former Captain	67	\$0	\$198	\$15,547	\$37,887	\$1,599	\$55,231
No Notation	91	\$64,425	\$6,642	\$9,751	\$15,745	\$0	\$96,563
<b>Totals</b>	<b>205</b>	<b>\$73,394</b>	<b>\$14,918</b>	<b>\$33,951</b>	<b>\$58,449</b>	<b>\$1,599</b>	<b>\$182,311</b>

*No support or evidence of disposal for the above amounts were found. Furthermore, monies were not found in any of the Property Rooms. See page 33 for summary of all monies not substantiated.*

**FINDING     DIA was Unable to Substantiate \$426,092 in Property and Evidence Money Items Over a Period of 12 Years.**

As noted throughout this report, DIA attempted to research all unsubstantiated monies from the log books and BEAST. DIA noted money items in the log books and BEAST that lacked supporting documentation of disposal and could not be found in evidence. The following tables display a summary of our results identified during our 100% test of bank deposits, monies returned to owner, monies transferred to another agency, and count of all monies in the money vault as reported throughout this report. These monies did not appear to be returned to owner, deposited, transferred to another agency, nor were the monies found anywhere in the Property Rooms. DIA has concluded the amount of unsupported money from the log books and BEAST is equal to \$426,092 from cases between 2001 and 2013.

**Unsupported Amounts by Year (Log Book)**

Year	Total Amount
<b>2004 And Prior</b>	\$262,104
<b>2005</b>	\$15,123
<b>2006</b>	\$40,899
<b>2007</b>	\$66,416
<b>2008</b>	\$1,599
<b>Total</b>	<b>\$386,141</b>

### Unsupported Amounts in BEAST

Custody According to BEAST	Number of Evidence Bags Not Found	Amount Unsupported	Reference to Additional Information
Money Vault	7	\$12,000	Note (A)
Returned To Owner	8	\$20,332	Note (B)
Deposited Into Bank Account	9	\$7,619	Note (C)
<b>Totals</b>	<b>24</b>	<b>\$39,951</b>	

**(A)** During the 100% test of money stored in the money vault, DIA was unable to find the monies in the location indicated by the BEAST. DIA reviewed all possible disposal methods and searched the property rooms and found no support the monies were signed out, deposited, or still in evidence. See page 17 for more details.

**(B)** During our test of money returned to owner we noted items were missing supporting documentation. Three of the eight bags were found, opened and empty, in the former Captain of the Unit's office. The remaining five items were not found nor was there any proof the monies were returned to the owner. All eight items were entered in the BEAST by the former Captain as "returned to owner". See page 21 for more details.

**(C)** During our test of all money deposited as recorded in the BEAST, DIA noted the following instances when comparing actual bank deposits to supporting documentation:

- \$1,000 was noted in the BEAST as being deposited on 5/24/2010; however, DIA was not able to locate the bag in the deposit folder nor did it appear the amount was included in the deposit. See page 29 for more details.
- Four empty evidence bags were found in the 5/24/2010 (2 for \$885) and 12/16/2010 (2 for \$987) deposit folder totaling \$1,872, but they did not appear to be included in the deposits. All items were noted in the BEAST as still being in evidence. The evidence bags were signed by the former Captain as opened before the deposit date. According to the BEAST, the bags were handled by the Sergeant in January 2012 and put in "return to owner bin". See pages 18 and 29 for more details.
- In the 12/22/2011 deposit folder, a journal entry forfeiting \$4,747 to the Office was found. After review in the BEAST, we discovered four evidence bags should have accompanied this journal entry, but DIA was unable to find them. It did not appear the amount was included in the deposit. See page 30 for more details.

### **Risk to the Sheriff if Findings Not Corrected**

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The Unit did not have formal written procedures in place to assure all found and seized monies are accurately entered and updated in the log book and BEAST. Failure to have written procedures and appropriate monitoring of found and seized monies may result in unauthorized activity in the Property Rooms leading to an increased risk of theft. Furthermore, a lack of accurate and complete documentation of evidence could compromise the chain of custody and lead to inconsistency in the operations of the Unit's Property Rooms.

## Recommendations

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- 3.1** Internal controls have improved dramatically from 2004 over bank deposits of forfeited monies; however, we recommend the Unit develop written policies and procedures over the disposition of monies forfeited to the Sheriff, returned to the rightful owner, and transferred to other government agencies. Specifically, the internal controls recommended throughout this report should be followed and enforced through a policy and procedure manual. In addition to the procedures and controls already recommended, the following controls on bank deposits should be implemented:
- Adequate supporting documentation should be maintained for all bank deposits, including evidence bags and forfeiture journal entries.
  - All evidence bags should be signed by the individual opening the bag for deposit.
  - Deposits should be reviewed and approved by an immediate supervisor, preferably not involved with the deposit.
  - Formal written procedures should be in place to identify abandoned money and request approval from the Court for its forfeiture.
  - The Unit should document the deposit in the BEAST with deposit date and an immediate supervisor should sign the deposit entry into the BEAST.

## Management's Response

*The Sheriff's Department has developed an Evidence and Property Policy, titled 301. The department is working on a written procedure covering the guidelines and documentations of money deposits. The unit currently has a procedure covering the documentation of all money deposits to include certified journal entries, two-man second count of all money before deposits, written reports, photo copies of evidence bags, changing status in BEAST and noting all parties involved with the deposit in the comment section within the BEAST system. The unit supervisor is usually the person who signs off on the change of status in the BEAST system. The unit supervisor will create a report on all money deposited and will forward the report along with all supporting documents to the independent designee, in our case it is currently the Business Services Manager.*

*A formal policy is not in place in regards to abandoned and found money; however procedures are in place to safeguard the process of such money from theft. Since the time of the audit the unit has implemented a new location within the money vault for abandoned and found money. Before any money is deposited in the bank account, two letters (one certified is sent to the owner –if known) will be sent to the owner giving individuals thirty days to pick up their property. If after thirty days the money is not picked up, the unit will post in the newspaper our intent to have the money forfeited to the Sheriff's Department. The ad will run in the paper for two consecutive weeks and if no one claims the property, the unit will petition the court for approval of its forfeiture. A report is generated and forwarded to the independent designee along with supporting documentation.*



## Disclosure of Subsequent Events

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The following events occurred subsequent to the audit period ending August 31, 2013:

- The former Captain, Michael J. Jackson, of the Narcotic's Unit was indicted on two (2) counts of Grand Theft, one (1) count of Theft in Office, and nine (9) counts of Tampering with Records on January 21, 2014 under case number CR-14-581749-A.
- The indictment charged Jackson for stealing more than \$50,000 in cash that had been seized from suspects and was being held in the Sheriff's property and evidence rooms. The indictment claimed Jackson falsified evidence records to conceal his thefts of the seized cash.
- The indictment was presented by the Prosecutor's Office and supported by an investigation performed by the Bureau of Criminal Identification, Sheriff's Office, and DIA.
- As indicated by this audit report, DIA performed detailed audit procedures to uncover any monies in the Sheriff's property and evidence rooms that were not supported. Any unsubstantiated monies were presented to the Prosecutor's Office for consideration in the case.
- Jackson was arraigned on February 4, 2014 and posted bail on the same day.
- Pre-trials were held multiple times between the arraignment date and April 14, 2015.
- Jackson plead guilty to one (1) count of Theft in Office and one (1) count of Tampering with Records on April 27, 2015. He was sentenced on June 2, 2015 to serve 90 days in jail and to pay restitution totaling \$20,760.

*Note: On March 2, 2015, the case number was changed to CR-15-593272-A.*