



**AUDIT OF THE DORAVILLE POLICE DEPARTMENT'S
EQUITABLE SHARING PROGRAM ACTIVITIES
DORAVILLE, GEORGIA**

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

Audit Report GR-40-11-003
March 2011

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EXECUTIVE SUMMARY

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

The Department of Justice Office of the Inspector General, Audit Division conducted an audit of the Doraville, Georgia, Police Department's participation in the DOJ asset forfeiture program during Doraville's fiscal years 2008, 2009, and 2010.¹ During the audit period, the Police Department received \$1,755,825 (\$1,737,548 in cash and proceeds and \$18,277 in shared property) and disbursed \$2,764,463.² The audit found that the Police Department generally complied with the agreement and certification requirements, equitable sharing guidelines regarding accounting for equitable sharing receipts, and use of equitably shared property and funds. However, we identified \$325 in unallowable costs for the payment of equitable sharing revenues to the Police Department personnel for travel-related expenditures not allowed with equitable sharing funds. We did not question this amount because of its minimal value. We recommend that the Criminal Division ensure the Police Department:

- follow policies and procedures for travel-related expenditures.

¹ The City of Doraville's fiscal year begins on July 1 of each year.

² Disbursements exceeded the receipts because disbursements involved funds from previous equitable sharing awards.

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INTRODUCTION

The Department of Justice (DOJ) Office of the Inspector General (OIG) audited the tracking and use of DOJ equitable sharing funds by the Doraville Police Department. The audit covered the Police Department's fiscal years (FY) 2008, 2009, and 2010. During these periods, the Police Department received \$1,755,825 in cash and property as a participant in the DOJ equitable sharing program.

DOJ Equitable Sharing Program

Because asset forfeiture deprives criminals of the profits and proceeds derived from their illegal activities, it is one of the most powerful tools available to law enforcement agencies. A key element of DOJ's asset forfeiture initiative is the equitable sharing program through which DOJ and its components share a portion of federally forfeited cash, property, and proceeds with state and local law enforcement agencies.¹

State and local law enforcement agencies receive equitable sharing funds by participating directly with DOJ agencies on investigations that lead to the seizure and forfeiture of property. Assets seized solely through the efforts of state and local law enforcement agencies may be transferred for forfeiture to a federal agency. Transferred seizures are referred to as adoptive seizures because the federal agency adopts the seizures made by the state or local agencies.

Once an investigation is completed and the seized assets are forfeited, the assisting state and local law enforcement agencies can request a share of the forfeited assets or a percentage of the proceeds derived from the sale of forfeited assets. Generally, the degree of a state or local agency's direct participation in an investigation determines the amount or percentage of funds shared with that agency. In adoptive seizures, the federal share is generally 20 percent of the net proceeds of the seizure performed by a state or local agency.

Three central DOJ components work together to administer the equitable sharing program: (1) the United States Marshals Service (USMS), (2) the Justice Management Division's Asset Forfeiture Management Staff (AFMS), and (3) the Criminal Division's Asset Forfeiture and Money Laundering Section (AFMLS). The three components are responsible for issuing policy statements, implementing governing legislation, and monitoring the use of DOJ equitable sharing funds. The USMS is responsible for transferring asset forfeiture funds from the DOJ to the receiving state or

¹ Federal asset forfeiture programs are also administered by the U.S. Department of the Treasury and the U.S. Department of Homeland Security.

local agency. The AFMS manages the Consolidated Asset Tracking System (CATS), a database used to track federally seized assets throughout the forfeiture life-cycle. Finally, AFMLS tracks membership of state and local participants, updates the equitable sharing program rules and policies, and monitors the allocation and use of equitably shared funds. Additionally, investigative components of DOJ and the United States Attorney's Office (USAO) also participate in the equitable sharing program. The Drug Enforcement Administration (DEA) implements major investigative strategies against drug networks and cartels and the Federal Bureau of Investigation (FBI) investigates a broad range of criminal violations. The DEA and FBI each integrate the use of asset forfeiture into its overall strategy to eliminate targeted criminal enterprises. The USAOs are responsible for the prosecution of both criminal and civil actions against property used or acquired during illegal activity.

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

Doraville Police Department

The Doraville Police Department is a component of the city of Doraville, Georgia, which is located about 12 miles north of Atlanta, Georgia. The Police Department serves a population of about 10,000 residents in a geographical area of less than 4 square miles. The city has a police force of about 70 officers and administrative staff.

The Police Department became a member of the asset forfeiture program in 1996. Currently, the Police Department has three officers assigned to two Drug Enforcement Administration task forces.

OIG Audit Approach

We tested compliance with what we considered to be the most important conditions of the DOJ equitable sharing program. Unless otherwise stated, we applied the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*, issued by AFMLS in April 2009.² The guide provides procedures for submitting and sharing requests and discusses proper use and accounting for equitable sharing assets.

² For the portion of our audit period before April 2009, we applied the prior version of the guide issued in 1994 and an addendum to the guide issued in 1998.

To conduct the audit, we tested the Police Department's compliance with:

- **federal sharing agreements and certification forms** to determine if these documents were complete and accurate,
- **accounting for equitable sharing receipts** to determine whether standard accounting procedures were used to track equitable sharing assets, and
- **use of equitable sharing funds** to determine if equitable sharing cash was used for law enforcement purposes.

See Appendix I for more information on our objectives, scope, and methodology.

FINDINGS AND RECOMMENDATIONS

The Doraville Police Department generally complied with equitable sharing guidelines regarding the agreement and certification requirements, accounting for equitable sharing receipts, and use of equitably shared property and funds. However, we identified \$325 in unallowable travel payments made because the Police Department did not follow its established policies and procedures for making such payments. We did not question this amount because of its minimal value.

Federal Sharing Agreements and Certification Forms

The *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* (Guide) requires law enforcement agencies that receive forfeited cash, property, or proceeds as a result of a federal forfeiture to submit an Equitable Sharing Agreement and Certification form. Prior to participation in the program, the agreement and certification must be signed by the head of the law enforcement agency and a designated official of the local governing body. The receiving agency should submit a newly signed agreement and certification when an administration change occurs and annually within 60 days after the end of the participating agency's fiscal year. By signing the agreement and certification, the signatories agree to follow program statutes and guidelines and certify that the law enforcement agency will comply with statutes and guidelines.

We tested compliance with the agreement and certification form requirements to determine if the required forms were submitted, completed, accurate, and signed by the appropriate officials. The Police Department submitted the required forms for the three fiscal years ended June 30, 2008, 2009, and 2010.

The FY 2008 and 2010 annual agreement and certification forms were timely completed and submitted. The FY 2009 agreement and certification form was submitted 2 days late. An official told us that a third party contractor completed the FY 2009 form and, because of server difficulties, the Police Department received the completed form late. Upon receiving the form, the Police Department immediately submitted the form to the AFMLS. The Acting Chief of Police signed the FY 2009 agreement and certification form because the Chief of Police was on active military duty. These occurrences do not require corrective action.

To verify the total amount of equitable sharing funds received, we compared the amount of federal sharing funds reported as received in the Doraville's Equitable Sharing Agreement and Certification forms to the

amount reported as transferred in the AFMS Consolidated Asset Tracking System (CATS). The amounts were equal as shown in the following exhibit.

EXHIBIT 1: RECEIPTS COMPARISON

| FY | Cash | Disbursements Per CATS Report | Difference |
|-----------|-------------|--------------------------------------|-------------------|
| 2008 | \$1,173,508 | \$1,173,508 | \$0 |
| 2009 | \$414,271 | \$414,271 | \$0 |
| 2010 | \$149,769 | \$19,769 | \$0 |

Sources: Doraville Police Department Certifications and CATS reports

To verify the total amount of expenditures reported on the certifications for each fiscal year reviewed, we compared the amounts reported on the certifications with the Police Department’s accounting records. We noted that the total expenditures reported on the certifications did not match the expenditures in the accounting records for each fiscal year reviewed. The differences are shown in the following exhibit.

EXHIBIT 2: EXPENDITURE COMPARISON

| FY | Expenditures Per Certification | Expenditures Per the Police Department’s Accounting Records | Difference |
|-----------|---------------------------------------|--|-------------------|
| 2008 | \$459,049 | \$529,693 | \$70,644 |
| 2009 | \$873,105 | \$865,246 | \$7,859 |
| 2010 | \$365,831 | \$491,329 | \$125,498 |

Source: OIG Analysis of Doraville Police Department’s accounting records

A Police Department official told us the FY 2008 difference (\$70,644) occurred because the Police Department disbursed \$70,724 to the DEA for buy money to be reimbursed.³ The Police Department did not consider this an expenditure because it was to be reimbursed. We verified that the DEA reimbursed the \$70,724 to the Police Department. We identified a difference of \$80 in the amount disbursed (\$70,724) to the DEA and the calculated difference (\$70,644) shown in the table. We did not take exception to this amount because of its minimal value.

The Police Department referred us to its accountant for an explanation for the 2009 and 2010 differences.⁴ The accountant told us the Police

³ Buy money are funds allocated for the purchase of evidence or contraband needed to determine the existence of a crime or to establish the identity of a participant in a crime.

⁴ A certified public accounting firm prepared the Doraville Police Department’s annual certification reports.

Department provided a check register as its accounting records that included checks written and dated during a given fiscal year. The check register did not include all expenditures incurred because they were not paid in a given fiscal year.

The FY 2009 difference occurred because the certification report's total included: (1) expenditures incurred in FY 2009 and paid in FY 2010, (2) a reimbursement for a travel and training expenditure, and (3) a duplicate expenditure that should not have been included in the accounting records. The following exhibit shows the explanations for and the dollar value of the FY 2009 difference. We did not take exception to the difference in the total for the explanation (\$7,860) and the calculated difference (\$7,859) because of its minimal value.

Exhibit 3: Explanations for FY 2009 Difference

| Explanation | Amount |
|---|----------------|
| Expenditure incurred in FY 2009 and paid in FY 2010 | \$10,029 |
| Expenditure incurred in FY 2009 and paid in FY 2010 | \$1,673 |
| Reimbursement for an expenditure | \$(1,726) |
| Duplicate expenditure | \$(2,116) |
| Total | \$7,860 |

Source: Robins, Eskew, Smith, and Jordan Certified Public Accountants

The FY 2010 difference occurred because the certification report's total did not include: (1) funds transferred from the equitable sharing account to the U.S. Treasury account; (2) expenditures paid in FY 2010 and included in the FY 2009 report; (3) a deposit identified as a reimbursement; and (4) checks written for buy money, not used, and deposited back into the bank. The following exhibit shows the explanations for and the dollar value of the FY 2010 difference. We did not take exception to the difference in the total for explanations (\$125,499) and the calculated difference (\$124,498) because of its minimal value.

Exhibit 4: Explanations for FY 2010 Difference

| Explanation | Amount |
|--|------------------|
| Money transferred from the equitable sharing account to the U.S. Department of Treasury account. | \$96,233 |
| Expenditure paid in FY 2010 and reported in FY 2009 | \$10,029 |
| Expenditure paid in FY 2010 and reported in FY 2009 | \$1,673 |
| Deposit for a reimbursement | \$1,564 |
| Unused buy money to be deposited back into the equitable sharing account | \$16,000 |
| Total | \$125,499 |

Source: Robins, Eskew, Smith, and Jordan Certified Public Accountants

Accounting for Equitable Sharing Receipts

We audited the Police Department's equitable sharing activities from July 1, 2007, through June 30, 2010. The Police Department was required to follow the guidelines established in the April 2009 *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* and the previous version of the guide issued in March 1994, which applied to the audit period during July 1, 2007, through March 2009. Both Guides require that law enforcement agencies use standard accounting procedures to track equitable sharing program receipts. Participating agencies should maintain a log of all sharing requests. The log should consecutively number the requests and list the seizure type, seizure amount, share amount requested, amount received, and date received for each request. Because the amount actually received may differ from the amount initially requested, receiving agencies should periodically update the log to ensure accurate recordkeeping.

We reviewed procedures for tracking equitable sharing requests against sharing receipts, reconciled the Police Department's accounting records to DOJ records of equitable sharing funds and property shared, and reviewed equitable sharing receipts to determine if the funds were properly accounted for and deposited.

As shown in the following exhibit for the fiscal years we reviewed, the Police Department received 49 receipts of equitable sharing funds totaling \$1,755,825 of which \$1,737,548 was in cash and proceeds and \$18,277 was in non-cash receipts.

EXHIBIT 5: DORAVILLE POLICE DEPARTMENT'S RECEIPTS FOR EACH FISCAL YEAR REVIEWED

| Doraville Police Department FY | Cash | Proceeds | Property | Total |
|--------------------------------|--------------------|-----------------|-----------------|--------------------|
| 2008 | \$1,138,072 | \$35,436 | \$0 | \$1,173,508 |
| 2009 | \$409,482 | \$4,790 | \$11,541 | \$425,813 |
| 2010 | \$142,375 | \$7,393 | \$6,736 | \$156,504 |
| Total | \$1,689,929 | \$47,619 | \$18,277 | \$1,755,825 |

Source: CATS reports

We reconciled the Detailed Distribution report with the Police Department's log and found that the receipts matched. As shown in the following exhibit, we sampled five of the highest receipts from FYs 2008, 2009, and 2010, totaling \$1,376,503, to ensure the funds were properly deposited and timely recorded.

EXHIBIT 6: DORAVILLE POLICE DEPARTMENT'S SAMPLED RECEIPTS IN FYS 2008, 2009, AND 2010

| Sample Count | Date Received per the Detailed Distribution Report | Date Received Per Doraville Police Department's Accounting Records | Amount Received |
|--------------|--|--|--------------------|
| 1 | 03/11/2008 | 03/11/2008 | \$502,540 |
| 2 | 03/11/2008 | 03/11/2008 | \$496,060 |
| 3 | 11/10/2008 | 11/10/2008 | \$81,453 |
| 4 | 01/12/2009 | 01/12/2009 | \$203,885 |
| 5 | 03/09/2010 | 03/09/2010 | \$92,565 |
| Total | | | \$1,376,503 |

Source: Detailed Distribution report of payments submitted to the Doraville Police Department and Accounting Records from the Doraville Police Department.

Our testing determined the Police Department accurately recorded its asset forfeiture receipts.

Use of Equitable Sharing Property

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

During the audit period, the Police Department participated in the seizure of four vehicles and received the vehicles as forfeited tangible property items. The Police Department included three of the four vehicles as part of a trade-in for another vehicle.⁵ The Police Department did not use the three vehicles for the required 2 years.⁶ Because the maintenance costs for the three vehicles were a financial burden, the Police Department requested and received approval from AFMS to use the vehicles as part of a trade-in. At the time of our audit, the Police Department identified one vehicle as tangible property. We determined this vehicle was in use for law enforcement purposes.

Use of Equitable Sharing Funds

As summarized in Exhibit 7, the Guide outlines categories of allowable uses for equitable sharing funds.

EXHIBIT 7: SUMMARY OF ALLOWABLE AND UNALLOWABLE USES FOR EQUITABLE SHARING FUNDS

| Allowable Uses | Unallowable Uses |
|---|---|
| Activities calculated to enhance future investigations | Salaries for current law enforcement personnel |
| Salaries paid for first-year law enforcement personnel | Non-law enforcement use of tangible property and expenses |
| Law enforcement training, equipment, facilities, and operations support | Non-official, improper, or illegal uses |
| Detention facilities | Uses not specified in sharing request |
| Drug education and awareness program operation | Reception and representation expenses |
| Asset accounting and tracing expenses | Extravagant expenses |

Source: March 1994 and April 2009 Equitable Sharing Guides

The March 1994 Guide provided that, generally, the participating agencies should use equitable sharing funds for law enforcement purposes. Under certain circumstances, up to 15 percent of equitable sharing revenues could be used to pay for drug abuse rehabilitation, drug and crime prevention efforts, housing and job skills programs, or other non-profit community-based programs or activities. However, the 1998 Addendum

⁵ The Police Department used the three vehicles and two additional vehicles that were not seized vehicles for this trade. The five vehicles' trade-in value totaled \$35,000.

⁶ The Police Department received the three vehicles on November 10, 2008; March 11, 2009; and April 7, 2009, and traded the vehicles on May 21, 2010.

required that the participating agency directly purchase such items and services. The April 2009 Guide required that all expenditures be made by the law enforcement agency and did not allow for the transfer of cash to community-based entities.

During the audit period of July 1, 2007, through June 30, 2010, the Police Department made 449 disbursements of DOJ equitable sharing funds totaling \$2,764,463. Of the \$2,764,463 disbursed, the Police Department spent \$1,693,311 on goods and services and disbursed \$1,071,152 as transfers between two bank accounts, reimbursable disbursements to the DEA's drug task force, and buy money for law enforcement operations.⁷ The Police Department also constructed a training facility and used \$324,310 of the \$1,693,311 for construction costs.

We tested a sample (66) of the 449 disbursements totaling \$789,085 to determine if the expenditures were allowable and supported by adequate documentation. The sample included high-dollar expenditures and purchases for items that we selected based on the potential use of those items for impermissible or improper uses. We found seven disbursements were unallowable for travel-related expenditures. Two of the 7 instances resulted from the original sample of 66 disbursements and 5 resulted from our expanded sample.⁸ The results of our testing are discussed in the following paragraphs.

During the audit period, the Police Department used \$78,654 in equitable sharing funds to pay for officers and staff to attend law enforcement-related training classes. Prior to April 2009 the Guide did not address the allowability of travel expenses. The April 2009 equitable sharing guide states that participants must follow state regulations in the payment of travel and per diem reimbursements. The state of Georgia Statewide Travel Regulation states that for travel outside of the state, entities may elect to use General Services Administration (GSA) rates rather than the state of Georgia's rates. For in-state travel the Georgia regulations require employees traveling overnight be paid a per diem amount designed to cover the cost of meals (including taxes and tips), based on the number of meals per day for which the employee is eligible. In four instances, the Police Department paid staff 100 percent of the applicable meals and incidental expenses rate (M&IE) for the first and last days of travel, rather than the

⁷ The transfers between bank accounts occurred because the Doraville Police Department changed banks.

⁸ We expanded our sample to include all travel transactions that occurred after April 2009 because the Guide in effect prior to April 2009 did not address the allowability of travel expenses. The expanded sample increased our sample to 78 disbursements totaling \$792,528.

GSA's prescribed 75 percent for the first and last day of travel.⁹ Also, in two instances, the Police Department paid staff for in-state travel based on the GSA M&IE rate rather than the state rate as required in the state regulation. We identified \$254 in unallowable costs for these instances. Because the Guide in effect prior to April 2009 did not address the allowability of travel expenses such as these, we do not consider such expenses paid prior to April 2009 to be unallowable. The Doraville Police Chief told us that he has elected to use GSA rules exclusively for the past several years.

We also determined that one individual received an unallowable payment of \$71 for an additional night for a hotel stay when the individual checked out a day earlier.

Unallowable expenses are summarized in the following exhibit. We did not question these amounts because of the minimal values. However, the Police Department should ensure adherence to the rules for payment of travel expenses.

EXHIBIT 8: UNALLOWABLE TRAVEL EXPENSES

| Check Date | Check Number | Expenditure Description | Amount Unallowable |
|-------------------|---------------------|--------------------------------|---------------------------|
| 06/24/09 | 3116 | Travel Per Diem | \$13.50 |
| 11/02/09 | 3186 | Travel Per Diem | \$35.50 |
| 01/25/10 | 3198 | Travel Per Diem | \$35.50 |
| 04/02/10 | 3209 | Travel Per Diem | \$67.00 |
| 04/02/10 | 3210 | Travel Per Diem | \$67.00 |
| 05/07/10 | 3215 | Travel Per Diem | \$35.50 |
| 01/23/09 | 3044 | Hotel Stay | \$71.00 |
| | | Total | \$325.00 |

Source: Doraville Police Department

Recommendation

We recommend that the Assistant Attorney General, Criminal Division:

1. Ensure the Doraville Police Department follow policies and procedures for travel-related expenditures.

⁹ Staff receive M&IE payments when on travel for official duty to cover meals, lodging, fees, tips, transportation, and mailing costs. According to the GSA, when travel is 24 hours or more on the day of departure, the allowance for M&IE is 75 percent of the applicable M&IE rate.

OBJECTIVES, SCOPE, AND METHODOLOGY

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

Objectives

The objectives of the audit were to assess whether the Doraville Police Department accounted for equitable sharing funds properly and used such revenues for allowable purposes defined by applicable guidelines. We tested compliance with what we considered were the most important conditions of the Department of Justice's (DOJ) equitable sharing program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including:

- *A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies*, dated March 1994.
- *Addendum to A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies*, dated March 1998.
- *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*, dated April 2009.

Unless otherwise stated in our report, the criteria used during the audit were contained in these documents.

Scope and Methodology

Our audit concentrated on, but was not limited to, equitable sharing receipts received by the Doraville Police Department between July 1, 2007, and June 30, 2010. We performed audit work primarily at the Police Department located in Doraville, Georgia. To accomplish the objectives of the audit, we interviewed the Police Department's staff and examined records related to revenues, interest earned, expenditures of DOJ equitable sharing revenues, and property received by the Police Department.

During our audit period, there were 45 cash receipts totaling \$1,737,548 and 4 receipts of property valued at \$18,277. We tested five receipts valued at \$1,376,504. During our audit period, there were 449 disbursements totaling \$2,764,463. We tested 78 disbursements valued at \$792,528.

We relied on computer-generated data contained in the DOJ Consolidated Asset Tracking System (CATS) for determining equitably shared revenues and property awarded to the Police Department during the audit period. We did not establish the reliability of the data contained in the CATS system as a whole. However, when the data used is viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations included in this report are valid.

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

Our audit included an evaluation of the Doraville Police Department, a unit of the city of Doraville, Georgia, which was included in a city-wide audit conducted by James L. Whitaker, Certified Public Accountant. The results of this audit were reported in the Single Audit Report that accompanied the Comprehensive Annual Financial Report for the year ended June 30, 2009. The Single Audit Report was prepared under the provisions of the Office of Management and Budget Circular A-133. We reviewed the independent auditor's assessment. This report disclosed that the city did not comply with the provisions of the Davis-Bacon Act as it relates to the documentation of the contractors' qualifications and payroll with respect to the construction project financed with federal funds. The city also did not adhere to the requirements of Procurement and Debarment as it relates to the documentation of the history of the procurement, basis for contractor selection and a cost analysis of the procurement action. In addition to the required annual Single Audit, the Police Department undergoes an annual audit of its Federal Asset Forfeiture Fund. We evaluated the results of this audit. We found the auditors also determined the city failed to comply with the provisions of the Davis-Bacon Act and some of the Procurement and Debarment activities.

APPENDIX II

SUMMARY OF TESTED EQUITABLE SHARING PURCHASES

| No. | ITEM DESCRIPTION | DETERMINED TO BE ALLOWABLE (Yes/No) | JUSTIFICATION | COST (\$) |
|-----|---|-------------------------------------|----------------------------|-----------|
| 1 | Backup/storage device and backup software | Yes | Law enforcement equipment | 108,980 |
| 2 | Data conversion and crime mapping | Yes | Law enforcement equipment | 98,399 |
| 3 | Transfer of treasury funds received to treasury account | N/A | Law enforcement activities | 76,411 |
| 4 | Vehicle | Yes | Law enforcement equipment | 57,900 |
| 5 | Vehicle | Yes | Law enforcement equipment | 49,900 |
| 6 | Purchase and installation of audio and video equipment | Yes | Law enforcement equipment | 43,898 |
| 7 | Video units | Yes | Law enforcement equipment | 35,955 |
| 8 | Motor units | Yes | Law enforcement equipment | 28,196 |
| 9 | Patrol video conversion and data storage | Yes | Law enforcement equipment | 28,524 |
| 10 | Reimbursement | Yes | Law enforcement activities | 28,500 |
| 11 | Confidential informant payment | Yes | Law enforcement activities | 15,500 |
| 12 | Reimbursement | Yes | Law enforcement activities | 10,000 |
| 13 | Reimbursement | Yes | Law enforcement activities | 8,500 |
| 14 | Confidential informant payment | Yes | Law enforcement activities | 5,000 |

| No. | ITEM DESCRIPTION | DETERMINED TO BE ALLOWABLE (Yes/No) | JUSTIFICATION | COST (\$) |
|------------|--------------------------------|--|----------------------------|------------------|
| 15 | Confidential informant payment | Yes | Law enforcement activities | 2,500 |
| 16 | Confidential informant payment | Yes | Law enforcement activities | 2,000 |
| 17 | Confidential informant payment | Yes | Law enforcement activities | 1,820 |
| 18 | Confidential informant payment | Yes | Law enforcement activities | 1,000 |
| 19 | Confidential informant payment | Yes | Law enforcement activities | 1,000 |
| 20 | Rent | Yes | Law enforcement expense | 1,385 |
| 21 | Rent | Yes | Law enforcement expense | 1,385 |
| 22 | Reimbursement | Yes | Law enforcement training | 1,497 |
| 23 | Per diem | Partial | Law enforcement training | 284 |
| 24 | Per diem | Yes | Law enforcement training | 214 |
| 25 | Vehicle parts | Yes | Law enforcement equipment | 59 |
| 26 | Per diem | Yes | Law enforcement training | 162 |
| 27 | Lodging | Yes | Law enforcement training | 700 |
| 28 | Lodging | Yes | Law enforcement training | 355 |
| 29 | Per diem | Yes | Law enforcement training | 117 |
| 30 | Registration fee | Yes | Law enforcement training | 45 |
| 31 | Per diem | Partial | Law enforcement training | 207 |
| 32 | Lodging | Yes | Law enforcement training | 295 |
| 33 | Registration fee | Yes | Law enforcement training | 3,150 |

| No. | ITEM DESCRIPTION | DETERMINED TO BE ALLOWABLE (Yes/No) | JUSTIFICATION | COST (\$) |
|------------|------------------------------------|--|----------------------------|------------------|
| 34 | Lodging | Yes | Law enforcement training | 356 |
| 35 | Counter camera in jail | Yes | Law enforcement equipment | 3,522 |
| 36 | Computer parts | Yes | Law enforcement equipment | 180 |
| 37 | Printers | Yes | Law enforcement equipment | 2,504 |
| 38 | Tasers | Yes | Law enforcement equipment | 6,520 |
| 39 | ID card/door card printer | Yes | Law enforcement equipment | 5,263 |
| 40 | Message board | Yes | Law enforcement equipment | 18,490 |
| 41 | Cameras | Yes | Law enforcement equipment | 9,800 |
| 42 | Laptops | Yes | Law enforcement equipment | 11,141 |
| 43 | Camera and accessories | Yes | Law enforcement equipment | 4,596 |
| 44 | Vehicle | Yes | Law enforcement equipment | 6,700 |
| 45 | Vehicle | Yes | Law enforcement equipment | 22,182 |
| 46 | Cell phone | Yes | Law enforcement equipment | 601 |
| 47 | Satellite phone service | Yes | Law enforcement equipment | 62 |
| 48 | Blackberry | Yes | Law enforcement equipment | 1,673 |
| 49 | Heating and air setup | Yes | Law enforcement facilities | 16,413 |
| 50 | Carpentry services | Yes | Law enforcement facilities | 3,640 |
| 51 | Drywall and acoustical work | Yes | Law enforcement facilities | 3,737 |
| 52 | Upgrade of parabolic lens fixtures | Yes | Law enforcement equipment | 13,795 |
| 53 | Plumbing fixtures | Yes | Law enforcement facilities | 4,390 |
| 54 | Spill proof water dish for K-9 | Yes | Law enforcement equipment | 70 |

| No. | ITEM DESCRIPTION | DETERMINED TO BE ALLOWABLE (Yes/No) | JUSTIFICATION | COST (\$) |
|------------|-------------------------------------|--|---------------------------------|------------------|
| 55 | Lettering for two motorcycles | Yes | Law enforcement uniform | 300 |
| 56 | Payment to SATCOM direct | Yes | Law enforcement related payment | 154 |
| 57 | Transfer of funds | Yes | Law enforcement activities | 19,822 |
| 58 | Bicycle unit gear | Yes | Law enforcement equipment | 348 |
| 59 | Contribution | Yes | Law enforcement activities | 10,000 |
| 60 | Traffic vest | Yes | Law enforcement equipment | 21 |
| 61 | Power cords | Yes | Law enforcement equipment | 291 |
| 62 | Reflective lettered shirts | Yes | Law enforcement uniform | 726 |
| 63 | Federal asset forfeiture audit | Yes | Law enforcement activities | 3,500 |
| 64 | Leather jacket | Yes | Law enforcement uniform | 299 |
| 65 | Purchase and installation of carpet | Yes | Law enforcement facilities | 3,653 |
| 66 | Floor tile | Yes | Law enforcement facilities | 498 |
| | | | TOTAL | 789,085 |

Source: OIG assessment based on Doraville Police Department accounting records, purchase orders, invoices, and the April 2009 Guide

DORAVILLE POLICE DEPARTMENT'S RESPONSE TO THE
DRAFT AUDIT REPORT



City of Doraville Police Department

3750 Park Avenue, Doraville, Georgia 30340

Chief John King

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Ferris B. Polk

21 March 2011

U.S. Department of Justice
Office of the Inspector General
Atlanta Regional Audit Office
75 Spring St. Suite 1130
Atlanta, GA 30303

Dear Mr. Polk:

I appreciate the opportunity to respond to the draft report. I am confident the efforts to maintain complete accountability and transparency initiated in 2002 have been validated by numerous audits performed. As with the multitude of updates by the U.S. Department of Justice, I am grateful to our Law Enforcement Coordinator with the U.S. Attorney's Office in the Northern District of Georgia Didi Nelson, who has answered questions and provided opportunities for continuing training to my staff and me.

The following issues were identified:

1. David Bacon Act; Our department built a evidence room and training center and acted as our own managing contractors, the requirement to screen the contractors through the Federal Debarred List was unknown to us at the time. The construction time span went across two fiscal years and was noted on the internal audit. The Department has implemented a policy of screening contractors through the federal database, in addition the Department submitted all the contractors involved in the project retroactively and all were cleared.
2. Per Diem rates. Until September 2010, our department used the GSA guidelines for travel for training purposes. In April 2009, the federal guidelines changed to follow Georgia State guidelines which are different and more complicated. Additionally, several employees attended training and were erroneously paid a full days Per Diem for the first and last day of training. On 09/15/2010, check #3198 for \$497.00 was returned unused and therefore voided. This should then reduce the "Unallowable Travel Expenses" to \$289.50. Our department has implemented a procedure to correct this error in addition to requiring all employees participating in outside training to turn in all receipts for lodging.

John F. King
Chief of Police

APPENDIX IV

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

The OIG provided a draft of this audit report to the Criminal Division and Doraville Police Department. The Criminal Division declined to provide comments on the draft report. The Doraville Police Department's response is incorporated in Appendix III of this final report. We made technical edits to the report that had no effect on the findings and recommendations. The following provides the OIG analysis of the response and summary of actions necessary to resolve the report.

1. **Unresolved.** The Doraville Police Department concurs with this recommendation to follow policies and procedures for travel-related expenditures. However, because the Criminal Division did not respond to the draft report, this recommendation is unresolved. This recommendation can be closed when we receive the Criminal Division's concurrence with the recommendation and documentation supporting that the Doraville Police Department implemented policies and procedures for travel-related expenditures.