

**POLICE DEPARTMENT
REVIEW OF FEDERAL FORFEITURE PROCEEDS**

**Distribution: Lovely A. Warren, Mayor
James Smith, Deputy Mayor
Cynthia Herriott-Sullivan, Interim Chief of Police
Patrick Beath, Deputy Corporation Counsel**

**Office of Public Integrity
Date: September 30, 2021**

I. EXECUTIVE SUMMARY

The Office of Public Integrity (OPI) examined accountability of federal forfeiture proceeds, related internal controls, and compliance with federal, City, and Rochester Police Department (RPD) policies. The results of this review indicate adequate internal control procedures over federal forfeiture proceeds and compliance with prescribed policies. We did not note any adverse findings during this review.

II. BACKGROUND, OBJECTIVES AND SCOPE

A. Assignment

The Office of Public Integrity routinely reviews cash handling procedures and compliance with prescribed policies within City departments. We performed the last review of this area in 2018.

B. Background

In 1984 the federal government passed the Comprehensive Crime Control Act which allows the government to seize assets in particular types of criminal cases. One of the provisions of this law allows the sharing of federal forfeiture proceeds with cooperating state and local law enforcement agencies. In July 2018, the U.S. Department of Justice and the U.S. Department of the Treasury issued Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (hereinafter referred to as the Guide). The Guide outlines the basic principles and requirements of federal forfeitures including minimum monetary thresholds, ways in which an agency can participate, how to apply for an equitable share, how to calculate the sharing percentages, required accounting procedures, required internal controls for assets received, and allowable uses of assets received.

For the period July 1, 2020 through June 30, 2021 the Police Department received federal forfeiture wire transfers totaling \$686,906. Additionally, at June 30, 2021, the total amount in RPD forfeiture funds was \$3,468,787. This includes \$2,569,832 in Fund 1469, Seized Funds, and \$898,955 in Fund 1170, Greater Rochester Area Narcotics Enforcement Team Program (GRANET).

Rochester Police Department Administrative Order AO-17 regulates the Department's process for expending forfeiture funds. This Order requires the Chief of Police to review all requests to expend forfeiture funds. Additionally, the Chief of Police is the sole departmental authority for the expenditure of forfeiture funds. Per AO-17, all requests approved by the

Chief of Police are forwarded to the Mayor for signature approval and, once this is obtained, then to City Council for approval.

For the period July 1, 2020 through June 30, 2021, police personnel expended federally forfeited funds totaling \$761,950 for law enforcement purchases. Additionally, during each fiscal year, the Police Department legally utilizes forfeited funds of \$100,000 for police overtime.

C. Objectives and Scope

The objectives of the review were to evaluate cash accountability, internal controls over federally forfeited assets and compliance with federal, City, and departmental policies. The review included evaluation of the internal control procedures applicable to cash collections, and the Police Department's compliance with the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies, City Cash Handling Policies, and Police Administrative Order AO-17 (Forfeiture Expenditures).

OPI examined records of all forfeiture assets received and expended by RPD for the period July 1, 2020 through June 30, 2021. During this period, RPD was involved in 34 seizure cases and forwarded to federal agencies 41 requests for forfeited property totaling \$981,027 in cash and \$22,865 in property.

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the International Standards for the Professional Practice of Internal Auditing. 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.

III. RESULTS OF REVIEW

The results of the review indicate that the Police Department is in compliance with federal and local policy requirements, and that internal controls over forfeiture funds appear adequate. We noted the following during this review:

1. All purchases examined were made in compliance with federal guidelines and were approved by City Council in advance.
2. We examined invoices for applicable expenses without exception.
3. We traced and agreed all forfeiture funds received in the scope period to MUNIS without exception.
4. The U.S. Marshalls Service wires all forfeiture funds directly into a City bank account. As a result all deposits were made in a timely manner.
5. Federal guidelines require that receiving agencies establish a separate revenue account solely for federally forfeited funds. The City has set up a fund specifically for RPD forfeiture funds and a fund specifically for GRANET forfeiture funds. We noted that all forfeiture funds received in the scope period were deposited into one of these two accounts. Additionally, we did not note any other monies being deposited into these accounts.
6. Federal guidelines require that receiving agencies deposit any interest from federal forfeiture funds into the forfeiture account. We noted that all interest received in the scope period was deposited into a forfeiture fund.
7. Federal regulations require that forfeited funds must supplement and not supplant the resources of the Police Department. For the last 5 budget years, we analyzed the percentage of Police expenditures to total City expenditures and, the year-to-year increase or decrease of Police appropriations to the increase or decrease of non-law enforcement appropriations. The result of this analysis indicates that forfeited funds have supplemented and not supplanted Police Department resources.

IV. DEPARTMENTAL RESPONSE

The Rochester Police Department reviewed this report and will continue to administer the Equitable Sharing Program in accordance with the terms and conditions required by the U.S. Department of Justice.



City of Rochester

Rochester Police Department
185 Exchange Boulevard, Suite 630
Rochester, New York 14614-2124
www.cityofrochester.gov/publicsafety/police/

Cynthia Herriott-Sullivan
Interim Chief of Police

September 27, 2021

Timothy R. Weir
Office of Public Integrity
85 Allen Street
Rochester, NY 14608

Dear Timothy R. Weir,

I have reviewed the audit report for RPD Federal Forfeitures (Equitable Sharing Program). The results of the review indicate the Police Department is in compliance with federal, City and departmental policy requirements. Additionally, your staff found that internal controls over forfeiture funds appear adequate. The RPD will continue to administer the Equitable Sharing Program in accordance with prescribed policies.

Thank you for the opportunity to ensure that RPD's management and administration over federal forfeiture proceeds are meeting appropriate protocols.

Respectfully,


Cynthia Herriott-Sullivan
Interim Chief of Police

