

AUDIT TEAM
Matt Weller, CPA, City Auditor
Brett Rangel, MS, CIA, Audit Manager

POLICE DEPARTMENT
PROPERTY MANAGEMENT UNIT
INVESTIGATION FOLLOW-UP REPORT

DECEMBER 31, 2024

MAYOR AND CITY COUNCIL

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December 31, 2024

The Mayor and City Council:

The Office of the City Auditor has completed an audit of the status of recommendations and related management responses included in our previous report dated May 20, 2020, on our investigation of unaccounted for Police Department Property Management Unit (PMU) currency and related control weaknesses identified during that investigation.

Based on the results of our audit, we believe that, as of September 30, 2023, PMU staff duties are better separated, oversight procedures are improved, and excessive currency balances are no longer held on-site in the PMU. However, the new Police Department Records Management System (RMS) does not include records for all currency held or facilitate investigator reviews for timely currency dispositions. As a result, bank-held currency balances have significantly increased since our last report.

Recommendations for addressing the more significant control weaknesses remaining, discussed in more detail in the attached report, are summarized as follows:

- PMU should continue working with the Police Data Systems Unit to identify and import all records for held currency currently excluded from the new RMS. See Recommendations 7.1 and 14.1 Status.
- PMU should work with the Police Data Systems Unit to develop automated RMS routing and reporting for cases awaiting investigator reviews to facilitate timely currency dispositions. See Recommendation 16.1 Status and Recommendations 8.2 and 16.2 Status.
- PMU should continue working with the Municipal Counselor's Office on fully implementing revised owner identification and notification procedures and obtaining court approval for transferring unclaimed currency to the General Fund. See Recommendation 17.1 Status.

All comments, recommendations, suggestions and observations arising from our audit have been discussed in detail with appropriate representatives from management. These discussions were held to assure a complete understanding of the content and emphasis of items in this report. Responses to this report from management are attached.

A handwritten signature in black ink that reads "Matt Weller".

Matt Weller
City Auditor

**POLICE DEPARTMENT
PROPERTY MANAGEMENT UNIT INVESTIGATION FOLLOW-UP REPORT**

AUDIT OBJECTIVE, BACKGROUND, SCOPE, AND METHODOLOGY

The objective of our audit was to evaluate the status, as of September 30, 2023, of recommendations and related management responses included in our previous Police Department Property Management Unit (PMU) investigation report dated May 12, 2020.

During the previous investigation, we worked with the Police Department Office of Professional Standards to investigate unaccounted for currency detected by PMU. We confirmed the currency that was unaccounted for and provided recommendations to address operational weaknesses identified during the investigation.

Among other duties, Police Department booking officers are responsible for assuming possession of evidence or other property (including currency) relevant to a police incident report, recording the property in the Records Management System (RMS), and delivering the property to the PMU¹. The PMU is responsible for receiving, storing, retrieving, and ultimately disposing all property delivered by booking officers and for maintaining a complete, accurate, and documented chain-of-custody record of all property from receipt through release or other disposition.

PMU initially secures delivered currency on-site and subsequently deposits the currency in a restricted Agency Fund with the City Treasurer's Office (CTO) where it is held until release². The previously reported balance, as of June 30, 2019, was approximately \$1.4 million of on-site (\$658,000) and bank-deposited (\$757,000) currency. As of September 30, 2023, the balance exceeded \$2.5 million of onsite (\$50,000) and bank deposited (\$2.5 million) currency.

Procedures performed during this follow up included interviewing PMU personnel; reviewing relevant policies, procedures, and controls over the currency (receipt to release) lifecycle; reviewing, analyzing, and comparing various electronic PMU currency records for completeness and accuracy; assessing the reasonableness of PMU bank deposits and balances; and examining PMU documentation of periodic reviews (i.e., for currency receipts, releases, and balances).

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.

¹ The Police Department moved to a new Records Management System on September 25, 2023.

² Police Department policies and State statutes encourage a prompt return of property not needed for evidentiary or litigation purposes. If not claimed, State statutes allow for transfer of the currency to the General Fund with district court approval.

The following section of this report includes the status of findings, related recommendations, and management responses from our previous investigation report. Each status is immediately followed by a *management response*. Management responses are also attached to this report in their entirety.

RESULTS OF WORK PERFORMED

Incompatible PMU staff responsibilities and excessive currency balances held on-site at the Property Room have been resolved and oversight procedures have been improved. However, concerns continue to exist with record completeness, the efficiency of oversight procedures, and the timeliness of assessment and disposition of increasing bank-held currency balances.

In addition to the original RMS records, PMU also records onsite and bank deposited currency activity in separate Excel spreadsheet ledgers. Though nearly identical, our previous onsite and bank deposited currency comments and recommendations were discussed separately in our previous report. For this follow-up report, the status of these onsite or bank deposited currency recommendations was combined and summarized in the following operational areas:

- Separation of Currency-Related Responsibilities and System Privileges
- Oversight, Recordkeeping, and Reporting
- Currency Assessments, Dispositions, and Releases
- Unclaimed Non-Currency Property Sales

SEPARATION OF CURRENCY-RELATED RESPONSIBILITIES AND SYSTEM PRIVILEGES

Previous Comments 1 and 9, 2 and 10, and 3. Responsibilities for maintenance of the Excel *onsite* currency ledger used in verifying the completeness of currency held *onsite* and RMS record deletion or modification privileges were not appropriately separated from oversight responsibilities or restricted to those without physical access to the currency, as follows:

- The PMU Supervisor was responsible for oversight but also had physical access to the currency, could delete or modify RMS currency records, and could alter the ledgers from which \$5,693 of *onsite* currency had been excluded.
- Certain PMU staff responsible for recounting the *onsite* currency and/or verifying the completeness of the ledger could also alter the ledger and could physically access the currency.

Additionally, certain PMU employees with oversight responsibilities and/or responsibilities for maintaining the Excel *bank deposited* currency ledger also had access to the checkbook.

Previous Recommendations. To reduce the risk of undetected lost or stolen *onsite* or *bank deposited* currency, we recommended that management:

- **Recommendation 1.** Restrict access to the Excel *onsite* currency ledger to employees without oversight responsibilities or access to currency.
- **Recommendations 2 and 10.** Remove RMS currency record deletion privileges for all PMU staff and limit RMS currency record modification privileges to staff without oversight responsibilities or access to *onsite* or *bank deposited* currency.
- **Recommendation 3.** Assign responsibilities for *onsite* currency oversight to staff without physical access to the currency or recordkeeping responsibilities.
- **Recommendation 9.** Assign responsibilities for *bank deposited* currency record-keeping and oversight to staff without checkbook access.

Recommendation 1 Status

Substantially Addressed. Access to the Excel *onsite* currency ledger has been restricted to two employees that only observe currency recounts and do not handle currency.

Police Department Response – Recommendation 1 Status

Agree with status. Access to the onsite currency ledger and the bank ledger is limited to two Currency Custodians. The PMU supervisor and Oversight Custodian have read-only privileges for the onsite currency ledger and the bank ledger. Only the Currency Custodians have AXON RMS privileges to prepare Property Currency Audit forms (PCA). All PCA forms must be approved by the PMU lieutenant or the PMU captain.

Recommendations 2 and 10 Status

Addressed. RMS currency record deletion privileges have been removed for all PMU staff. Although RMS currency record modification privileges have not been limited to those without oversight responsibilities or *onsite* currency/checkbook access, RMS currency record modifications require completion of an incident supplemental report approved by a supervisor.

Police Department Response – Recommendations 2 and 10 Status

Agree with status as of 9/30/23. The RMS currency record can only be changed by submitting an incident supplemental report. All incident supplemental reports must be approved by a supervisor.

Recommendation 3 Status

Substantially Implemented. A new Oversight Custodian role having no currency handling or recordkeeping responsibilities has been created to periodically verify the completeness of the Excel *onsite* currency ledger and the contents of the currency safe.

Police Department Response – Recommendation 3 Status

Agree with status as of 9/30/23. Since AXON RMS went live, the Oversight Custodian only has RMS read-only privileges for PCA reports. The Oversight Custodian has never had privileges to modify the onsite currency ledger or bank ledger. Only the Currency Custodians have RMS permission to create a PCA report. Only the PMU captain and lieutenant can approve a PCA report.

Recommendation 9 Status

Substantially Addressed. While several PMU employees with record-keeping responsibilities also still have checkbook access, this risk is mitigated by oversight of *bank deposited* currency by the new Oversight Custodian who does not have checkbook access.

Police Department Response – Recommendation 9 Status

Agree with status as of 9/30/23. Prior to the implementation of AXON RMS, all PMU employees could modify a property description. The Oversight Custodian has read-only privileges for the currency ledgers and the PCA reports. Therefore, she cannot currently modify either ledger or create a PCA report.

OVERSIGHT, RECORDKEEPING, AND REPORTING

Oversight of Excel Ledger Completeness and Currency Release Validity

Previous Comments 4 and 11, 5 and 12. Certain oversight procedures ensuring the completeness of Excel currency ledgers and currency release validity were not being performed, as follows:

- The Excel *onsite* currency ledger was not periodically compared to RMS currency records and the Excel *bank deposited* currency ledger was not periodically compared to RMS currency records or the Excel *onsite* currency ledger for completeness.
- The validity of deleted or modified RMS currency records were not periodically verified through agreement to supporting documentation.
- Currency releases during the month were not verified for validity through agreement to supporting documentation (i.e., recipient signatures, owner affidavits and IDs, etc.) and support was not available for 17 releases totaling \$16,296.

Previous Recommendations. To improve oversight, ensuring the completeness of the currency ledgers and the underlying currency itself and the validity of currency releases, we recommended that management:

- **Recommendations 4 and 11.** Regularly compare Excel *onsite* and *bank deposited* currency ledgers to RMS currency records and to one another, and regularly review documentation supporting deleted and modified RMS currency records.
- **Recommendation 5.** Review supporting documentation for all *onsite* currency releases and periodically confirm temporary releases to District Attorneys or others.
- **Recommendation 12.** Grant check writing authority to staff responsible for compiling documentation supporting *bank deposited* currency releases and verify required support for each release either monthly or before checks are signed by a second signer.

Recommendations 4 and 11 Status

Partially Addressed. Though procedures were updated to require monthly reconciliation of the Excel ledgers to RMS currency records, those reconciliations are currently limited to ensuring each Excel ledger entry is entered in RMS. These reconciliations should also include verification that all RMS currency records are entered in the Excel ledgers to ensure the completeness of the ledgers. RMS and automated Excel ledger reports to use for this purpose have not yet been developed.

Invalid deleted RMS currency record risks have been addressed through removal of deletion privileges for all staff and requiring supervisory approval for all RMS record modifications as discussed in the Recommendations 2 and 10 Status on page 3.

PMU should include verification that all RMS currency records are entered in the Excel ledgers in monthly reconciliation procedures and develop the necessary RMS and automated Excel ledger reports for this purpose. Also see Recommendations 6 and 13 Status and Recommendations 7.1 and 14.1 Status on page 7, respectively.

Police Department Response – Recommendations 4 and 11 Status

Agree with status as of 9/30/23. The Oversight Custodian currently ensures each new currency submission is included on the currency and bank ledger and the RMS property record. This ensures all new currency records that have been entered into RMS during the month are also entered into the onsite currency or bank ledger and that all currency records entered into the ledgers during the month are also entered into AXON RMS. Although an automated process is not yet available, this validation is completed each month by comparing a Power BI report to both ledgers. However, this reconciliation is limited to the totals for the month and is not capable of reconciling the entire ledger against the entire AXON RMS money entries.

There are property records included on the onsite currency and bank ledger that are not in AXON RMS. An automated excel currency report cannot be developed until all onsite currency and bank ledger entries are included in AXON RMS along with the associated reports, property records, and property dispositions. The PMU staff is working with Data Systems to identify those items that are included in the currency and bank ledgers but are not in AXON RMS. Once those entries have been identified, PMU management will work with Records and Data Systems

to have those reports and associated property records and dispositions entered or transferred into AXON RMS. A plan for having all property records entered into AXON RMS will be developed by March 1, 2025.

Recommendations 5 and 12 Status

Substantially Implemented. Documentation supporting most currency releases is reviewed monthly by an employee in a new Oversight Custodian position. Consideration should be given to extending these reviews to include rare instances where currency is released to owners through investigators or the courts. Additionally, development of automated Excel ledger reports should be considered to increase the efficiency of the monthly reviews. Also see Recommendations 6 and 13 Status on page 7.

Police Department Response - Recommendations 5 and 12 Status

Agree with status as of 9/30/23. Investigators are required to complete an incident supplemental report when releasing money to owners. All such reports must be approved by a supervisor. This occurs infrequently. Most money released to owners is completed by PMU staff. If funds were to be released by the PMU staff in response to a court order, the court documents would be uploaded into AXON RMS by the PMU staff.

Excel Ledger and RMS Recordkeeping and Reports Used for Oversight

Previous Comments 6 and 13, 7 and 14. Multiple, duplicative currency records were being maintained and automated reporting had not been developed to use in ensuring the consistency of those records or the completeness of the underlying currency, as follows:

- Manual *on-site* and *bank deposited* currency logs were being maintained in addition to the Excel *on-site* and *bank deposited* currency ledgers and RMS currency records.
- Excel ledgers did not include labels, accuracy checks or standard formatting needed to produce accurate, complete, and meaningful reporting while currency data imported into the RMS from the previous RMS also included various data inconsistencies.
- Automated reports were not available to reconcile the Excel ledger and RMS currency data nor were reports available to use in verifying on-site currency, the validity of currency releases/transfers or record deletions/modifications, or for providing accounting updates for the related Agency Fund to the Accounting Services Division.

Previous Recommendations. To improve the accuracy, completeness, and consistency of recordkeeping and allow for more effective and efficient oversight of currency balances, we recommended that management:

- **Recommendations 6 and 13.** Discontinue use of manual currency logs, address limitations identified in Excel ledger data and develop and use automated Excel ledger reports for oversight and reporting to Accounting Services.
- **Recommendations 7.1 and 14.1.** Address inconsistencies in existing RMS currency records, implement data entry controls ensuring future records are accurate and complete, and develop and use automated RMS reports for oversight procedures.
- **Recommendations 7.2 and 14.2.** Assess the feasibility of using the RMS as the primary currency record and discontinuing use of the Excel ledgers.

Recommendations 6 and 13 Status

Partially Implemented. The use of manual currency logs has been discontinued and several Excel ledger data limitations have been addressed. Automated Excel ledger reports have also been developed for providing Agency Fund accounting updates to the Accounting Services Division. However, automated Excel ledger reports have not been developed for use in carrying out oversight procedures, though those procedures are carried out through other means.

PMU should develop automated Excel ledger reports to use in carrying out oversight procedures, including the completeness of ledgers by agreement to RMS currency records (Recommendations 4 and 11 Status), and the validity of currency releases or transfers (Recommendations 5 and 12 Status). Additional Excel ledger improvements ensuring the accuracy, completeness, and consistency of entered data (e.g., data type entry restrictions, content protection) should also be considered.

Police Department Response - Recommendations 6 and 13 Status

Agree with status as of 9/30/23. An automated report has been developed for the onsite and bank deposit ledger. The report is run each month and compared to the bank balance. A copy is sent to the Finance Department. The Oversight Custodian utilizes the Power BI report to justify the RMS currency records with the onsite and bank ledgers. In doing so, she verifies the validity of modifications, currency releases, and transfers each month.

Recommendations 7.1 and 14.1 Status

Not Implemented. These recommendations were not implemented in anticipation of conversion to a new RMS on September 25, 2023. Conversion to the new RMS did not include an import of all existing RMS currency records and is therefore incomplete. Additionally, controls ensuring accurate and complete RMS currency record entries had not been implemented and automated reports for use in carrying out oversight procedures had not been developed. However, PMU has been developing a solution to address these recommendations since the follow-up date.

PMU should continue working with the Police Department Data Systems Unit to:

- Import the remaining RMS records for existing currency held and address any limitations preventing accurate or complete reporting.³
- Assess and correct inconsistencies in existing/imported currency record data in the new RMS and make corrections as necessary.
- Develop edit controls, exception reports or other means of ensuring new currency data entered in the new RMS is accurate and complete.
- Develop automated reports to use in carrying out oversight procedures such as agreement to the Excel currency ledgers.

Police Department Response - Status 7.1 and 14.1

Agree with status. PMU management has requested Data Systems address the data transfer issue with AXON. They have also requested AXON develop a Property Management Report that would notify investigators when dispositions were due and then notify their supervisor if the dispositions were not updated in seven days. AXON has responded by stating they are working on a prototype. Management will meet with AXON within 90 days to establish a firm timeline for the implementation of a Property Management Report.

PMU management has requested Data Systems assist in determining which cash items currently held in the PMU Account and included on the onsite currency and bank ledgers are not in AXON RMS. Once those items are identified, steps will be taken to move those items and associated records into AXON RMS. A plan for having all property records entered into AXON RMS will be developed by March 1, 2025. Once those records are added, automated AXON RMS reports to use in carrying out oversight procedures will be developed. The accuracy and completeness of currency data entered in AXON RMS is currently verified through the monthly reconciliation by the Oversight Custodian.

It is important to note that there is property in the PMU dating back to at least 1969. At that time, the department did not use case numbers. After case numbers came into use, the department used case numbers in at least two different formats.

The onsite currency ledger was implemented in 2002. The bank ledger was implemented in 2016. In 2020, all currency in the PMU account that could not be identified was transferred to the general fund by court order. That move allowed the onsite currency and bank account ledgers to balance with the PMU account.

Recommendations 7.2 and 14.2 Status

Addressed. The Police Department assessed the feasibility of using the RMS as the primary currency record and determined continued use of the Excel ledgers would provide more reliability, accessibility, and continuity.

³ Once these records are imported, this may also include transferring the imported data into a new currency form PMU started using after September 30, 2023, to address these recommendations.

Police Department Response - Recommendations 7.2 and 14.2 Status

Agree with status. PMU personnel cannot utilize AXON RMS as the primary currency record until all cash items currently held in the PMU Account are also included in AXON RMS. Data Systems is working to identify those cash items that are not entered into AXON. Once those items are identified, PMU personnel will work with Records and Data Systems to have those items and associated reports transferred or entered into AXON RMS. A plan for having all records entered in AXON RMS will be developed by March 1, 2025.

Oversight of Consistency with Agency Fund Records

Previous Comment 15. Original deposit or owner records could not be located for \$232,066 included in the balance of the Agency Fund but excluded from the Excel *bank deposited* currency ledger. Of the \$232,066 difference, \$26,746 was determined to relate to an unclaimed currency transfer to the General Fund that was not recorded in the Agency Fund while the remaining \$205,320 difference could not be explained.

Previous Recommendations. To reduce the risk of theft or misuse of *bank deposited* currency having no original deposit or owner records, we recommended that Police Department management:

- **Recommendation 15.1.** Work with the Finance Department to appropriately reduce the Agency Fund for the \$26,746 transferred to the General Fund.
- **Recommendation 15.2.** Work with the Municipal Counselor's Office to determine the feasibility and timing of declaring the \$205,320 as unclaimed and transferring those funds to the General Fund.

Recommendation 15.1 Status

Implemented. The Agency Fund was appropriately reduced for the \$26,746 transferred to the General Fund.

Police Department Response - Recommendation 15.1 Status

Agree with status.

Recommendation 15.2 Status

Addressed. Court approval was obtained to declare unclaimed and transfer \$171,856 to the General Fund while original deposit or owner records were found for the remaining \$33,464.

Police Department Response – Recommendation 15.2 Status

Agree with status.

CURRENCY ASSESSMENTS, DISPOSITIONS, AND RELEASES

As noted on page 1, the overall currency balance held by PMU grew from \$1.4 million as of June 30, 2019, to over \$2.5 million as of September 30, 2023. Most of the increase related to the *bank deposited* balance which increased from \$757,000 to approximately \$2.5 million. See Table 1. for an estimated breakdown of the *bank deposited* balance by reason held as of September 30, 2023.

Table 1. Estimate of Bank Deposited Case Balance by Reason Held As of September 30, 2023

Reason	Count	%	Dollars	%	Status No.
(A) Pending Investigator Dispositions	2,577	53%	\$1,616,696	66%	(16.1)
(B) Pending Asset Forfeiture Processing or Approval	24	-	198,752	8%	(16.3)
(C) Pending Owner ID/Release or Unclaimed Declaration	716	15%	202,675	8%	(17.1)
(D) Pending Unclaimed Property Transfer Approval	1,440	30%	343,869	14%	(17.1)
(E) Status Not Yet Determined/Known	77	2%	104,287	4%	
Totals	4,834	100%	\$2,466,279	100%	

Source: Estimate by PMU based on a summary of the Excel *bank deposited* currency ledger and other case records necessary to estimate the breakdown of cases and dollars.

Assessment and Disposition Timeliness

Previous Comments 8 and 16. Procedures for currency disposition reviews did not ensure timely decisions to release, deposit, or retain *onsite* currency or to release or retain *bank deposited* currency:

- Preliminary dispositions (i.e., release, hold as evidence onsite, deposit/hold in the bank) were not provided by investigators or requested by PMU staff upon onsite receipt.
- Procedures did not address the timeliness of depositing currency in the bank.
- Procedures did not include statutory guidance for determining currency to be held onsite for evidentiary purposes and currency to be deposited in the bank.
- Status follow-ups were not conducted every six months by PMU as required by policies, potentially after the asset forfeiture statute of limitations expired for drug-related currency.
- Status updates were not consistently given by investigators or were not given within the 14-day timeframe required by policies.

As a result, *onsite* currency increased from \$386,000 to \$658,000 from June 30, 2016, to June 30, 2019, and *bank deposited* currency increased from \$267,000 to \$757,000 from June 30, 2014, to June 30, 2019.

Previous Recommendations. To reduce the risk of currency loss, theft, or misuse from unnecessarily retaining currency, we recommended that management:

- **Recommendations 8.1 and 16.1.** Review and amend currency disposition procedures to ensure more timely assessments and dispositions considering, at a minimum, procedures addressing the weaknesses identified.
- **Recommendations 8.2 and 16.2.** Work with the Police Department Data Systems Unit to create and use consistent RMS data fields or labels to develop automated RMS routing and reporting to facilitate more timely currency disposition reviews.
- **Recommendation 16.3.** Work with investigators as soon as practical to identify, assess, and process high-dollar drug-related currency bank deposits approaching the asset forfeiture statute of limitations.

Recommendation 8.1 Status

Addressed. Procedures have been revised to encourage more timely currency disposition reviews. The revised procedures require *onsite* currency to be assessed and disposed (i.e., deposited, released, or retained) within 7 days and the status to be routinely reviewed and updated by investigators. The *onsite* currency balance decreased from \$658,000 as of June 30, 2019, to \$50,000 as of September 30, 2023.

Police Department Response - Recommendation 8.1 Status

Agree with status. Money is continually booked into the PMU. As of October 31, 2024, the safe balance was \$30.00. Although the amount of funds held in the PMU safe fluctuates daily, the PMU staff has maintained the safe balance at low levels for some time.

Recommendation 16.1 Status

Partially Addressed. Procedures have been revised to encourage more timely currency disposition reviews. The revised procedures require the status of *bank deposited* currency to be routinely reviewed and updated by investigators. However, regular Investigative Unit reviews were not yet automated, monitored, and/or enforced; but PMU staff have been manually compiling and routing the cases for investigator status reviews and updates.

The *bank deposited* currency balance more than tripled from June 30, 2019, to September 30, 2023. As shown in Table 1 (A) on page 10, PMU estimated two-thirds of the balance is pending investigator disposition decisions.

PMU should work with the Police Department Data Systems Unit to develop automated RMS routing and reporting to facilitate timely currency disposition reviews. See Recommendations 8.2 and 16.2 Status below. Additionally, the timeliness of investigator reviews and updates should be monitored and enforced for compliance with revised procedures.

Police Department Response – Recommendation 16.1 Status

Agree with status. PMU management has requested Data Systems address the data transfer issue with AXON. PMU has requested AXON develop a Property Management Report that will notify investigators when property dispositions are needed and notify their supervisor when the disposition is not completed in a timely manner. A plan for having all records entered into AXON RMS will be developed by March 1, 2025.

For the last several months PMU personnel have been focusing on preparing as many disposition lists as possible. The PMU staff has placed an emphasis on cash items held in the PMU account. When a “return to owner” disposition is received from an investigator, notification letters are sent to that person. Since August 2024, the PMU staff has returned \$168,429.14 to the owner or last person in possession. They have sent fifteen disposition lists to the MCO. Four of those lists were money transfer lists. The MCO has advised the money transfer lists will be placed on the court’s December docket. Court orders have been obtained on nine property disposition lists. PMU personnel are in the process of preparing several more money transfer lists that total approximately \$600,000.

In addition, the PMU staff prepared lists of cash items that need an updated disposition or an updated address for the owner or last person in possession. The lists were sent to the Investigations Division, the Special Operations Division, the Uniform Support Division, and the Fire Marshall’s Office. Those lists include items totaling approximately \$530,000.

There are approximately 32,000 items on the currency/bank ledger. Approximately five-thousand of those items have not yet been disposed. Many of those items need an updated disposition or an updated address for the owner or last person in possession. Some of those items will have an appropriate disposition of “Hold” depending on the status of the criminal or asset forfeiture case.

Recommendations 8.2 and 16.2 Status

Not Implemented. Consistent RMS data fields or labels have not been created or used to develop automated RMS routing and reporting that would facilitate more timely currency disposition reviews and/or updates.

PMU should work with the Police Department Data Systems Unit to create and use RMS data fields or labels to develop automated RMS routing and reporting to facilitate more timely currency disposition reviews and updates.

Police Department Response - Recommendations 8.2 and 16.2 Status

Agree with status. It is not currently possible to accomplish this with AXON RMS. PMU management has requested Data Systems work with AXON to develop a Property Management Report. AXON has responded by stating they are working on a prototype. Management will

meet with AXON within the next 90 days to establish a firm timeline for the implementation of a Property Management Report. In addition, PMU management has requested Data Systems assistance in determining which of the 5,000 currency items listed on the bank ledger are not included in the AXON RMS. Once those cases are identified, PMU Management will work with Data Systems and Records to have those cases entered or transferred into AXON RMS. A plan for having all property records entered into AXON RMS will be developed by March 1, 2025.

Recommendation 16.3 Status

Implemented. High-dollar drug-related currency bank deposits approaching asset forfeiture statute of limitations were identified, assessed, and processed. As shown in Table 1 (B) on page 10, PMU estimates *bank deposited* currency pending asset forfeiture processing or approval was only about 8% of the bank balance as of September 30, 2023.

Police Department Response - Recommendation 16.3 Status

Agree with status. The PMU staff is in the process of preparing money transfer lists that contain currency items booked by Special Projects and other narcotics investigators. The sum of those lists is approximately \$600,000. Once those money transfer lists are completed and notification letters have been sent, they will be forwarded to the MCO.

Release/Unclaimed Property Declaration Timeliness

Previous Comment 17. *Bank deposited* currency was not timely released to owners or declared unclaimed/transferred to the General Fund. Improvements needed to PMU's procedures for identifying and notifying owners as required by statute before declaring property unclaimed and obtaining district court approval for General Fund transfers had been identified by the Municipal Counselor's Office (MCO). As of June 30, 2019, PMU estimated that \$91,000 of the \$757,000 bank deposited total was unclaimed and pending implementation of the MCO's suggested improvements.

Previous Recommendations. To reduce the risk of currency loss, theft, or misuse from unnecessarily retaining currency, we recommended that management:

- **Recommendation 17.1.** Work with the MCO to implement their suggested owner identification and notification improvements and processing of unclaimed currency transfers to the General Fund when statutory requirements have been met.
- **Recommendation 17.2.** Work with the Police Department Data Systems Unit to assess the feasibility of using the RMS or Excel bank ledger to record and report owner information facilitating more effective and efficient compliance with statutory owner notification requirements.

Recommendation 17.1 Status

Partially Implemented. Owner identification and notification procedures were revised to address suggested improvements from the MCO and two General Fund transfers totaling approximately \$47,000 for unclaimed property were court-approved and processed. However, additional unclaimed currency transfers and related requests for district court approval were suspended by the MCO after determining that the revised procedures were not being fully carried out. After our follow-up date, management provided investigator training on how to carry out the revised owner identification and notification procedures.

As shown in Table 1 on page 10, as of September 30, 2023, PMU estimated a combined total of \$546,544 of the \$2.467 million *bank deposited* total was pending either (C) Owner Release or Unclaimed Declaration or (D) Unclaimed Property Transfer Approval (from district court). These pending amounts accounted for a combined 45% of the cases and 22% of the balance as of September 30, 2023.

PMU should continue to work with the MCO to fully implement the revised owner identification and notification procedures and to transfer *bank deposited* currency deemed unclaimed to the General Fund. Also see Recommendation 17.2 Status below.

Police Department Response – Recommendation 17.1 Status

Agree with status as of 9/30/23. Directives place the responsibility for making property and cash dispositions on the assigned investigator. The PMU staff relies on investigators to enter appropriate dispositions and updated address information. In most cases the PMU staff does not have the responsibility or authority to make dispositions. To assist investigators with making proper dispositions, the PMU staff created training that was distributed to department personnel. Most issues with the MCO have been resolved. The MCO has agreed to stop rejecting entire money transfer lists when they find an entry they do not approve. Instead, each entry will be addressed individually.

Recommendation 17.2 Status

Not Implemented. Use of the RMS or Excel bank deposited currency ledger to record and report currency owner information to facilitate more effective and efficient compliance with statutory owner identification requirements had not been implemented as of the follow-up date.

PMU staff should work with the Police Department Data Systems Unit to assess the feasibility of using the RMS or Excel bank deposited currency ledger to record and report owner information allowing for more effective and efficient compliance with statutory owner identification requirements.

Police Department Response – Recommendation 17.2 Status

Agree with status as of 9/30/23. Entering currency owner information is the responsibility of the assigned investigator. Investigators are required to enter that information in AXON RMS when making a disposition. Investigators and PMU staff have been instructed to utilize the last known address listed in AXON RMS. Doing so meets the department’s statutory requirements. The PMU produced training on this issue that was provided to department personnel.

AXON RMS now includes an automated letter production function that allows the PMU staff to prepare and mail notification letters more quickly.

UNCLAIMED NON-CURRENCY PROPERTY SALES

Previous Comment 18. Procedures had not been developed to ensure the completeness of deposited proceeds from unclaimed non-currency property sold through third party auctions:

- Sale proceeds were received and deposited by PMU staff able to alter RMS records, such that those records could be manipulated to prevent detection of proceed misuse or theft.
- Unclaimed property sent for auction was not identifiable in the RMS and no automated RMS reporting for such property was available for use in reviewing dispositions.
- Unclaimed property records were not reviewed to ensure appropriate dispositions (e.g., awaiting sale, sold and proceeds deposited, or other valid disposition).

Previous Recommendations. To ensure the completeness of unclaimed non-currency property sale proceeds, we recommended that management:

- **Recommendation 18.1.** Develop procedures ensuring, at a minimum, that sale proceeds are paid directly to the City Treasurer’s Office and unclaimed property records are independently reviewed to ensure the completeness and validity of dispositions.
- **Recommendation 18.2.** Work with the Police Department Data Systems Unit to add a location/status field to RMS unclaimed property records and develop automated reports for use in unclaimed property disposition reviews.

Recommendation 18.1 Status

Partially Implemented. The proceeds from unclaimed property sales are sent directly to the City Treasurer’s Office. However, unclaimed property records are not reviewed to verify the completeness or validity of property sold or disposed.

PMU should work with the Police Department Business Office and City Treasurer’s Office to develop procedures for reviewing unclaimed property records to ensure related receipts from third party auctions are complete or another valid disposition has occurred.

Police Department Response – Recommendation 18.1 Status

Agree as of 9/30/23. Items identified for sale are placed on a sale list which is sent to the MCO. Once court approval is obtained, those items are picked up by PROPERTYROOM.COM and placed on that vendor's website for sale. Those items are either sold or destroyed after a specified period. PROPERTYROOM.COM then sends a check for any proceeds to the City Treasurer.

When the City Treasurer's Office receives a check from PROPERTYROOM.COM, they scan a copy to the Police Finance Office. The Police Finance Office has access to the department's account with PROPERTYROOM.COM. Police Finance compares the check received to the items listed in PROPERTYROOM.COM. Police Finance then provides the City Treasurer's Office with recording information including the fund, account, and department information.

The PMU staff has requested Data Systems work with AXON to develop a location/status field for property sent to a vendor for sale. Once the location/status fields are in place, PMU management will request AXON develop an automated report for pulling this data within a specified period.

Once those features are in place, PMU management will work with Police Finance and the City Treasurers Office to develop procedures for reviewing unclaimed property records to ensure related receipts from third party auctions are complete or another valid disposition has occurred.

Recommendation 18.2 Status

Not Implemented. A location/status field has not been added to RMS unclaimed property records in the new RMS and no automated RMS reports have been developed for use in reviewing unclaimed property sale dispositions.

PMU should work with the Police Department Data Systems Unit to add a location/status field to unclaimed property records in the new RMS and develop automated RMS reporting to use in reviewing unclaimed property sales for appropriate dispositions.

Police Department Response – Recommendation 18.2 Status

Agree with status. PMU staff has requested Data Systems work with AXON to develop a location/status field for property sent to a vendor for sale. Once the location/status fields are in place, PMU management will request AXON develop an automated report for pulling this data within a specified period of time. Management will meet with AXON within the next 90 days to establish a firm timeline for implementation of these features.

ATTACHMENT A

Management Responses



The City of
OKLAHOMA CITY
POLICE DEPARTMENT
Ron C. Bacy
Chief of Police

MEMORANDUM

TO: Matt Weller, City Auditor

THROUGH: Craig Freeman, City Manager

FROM: Ron C. Bacy, Chief of Police *RB*

DATE: December 20, 2024

SUBJECT: Police Department – Property Management Unit Audit Response

The following are management's responses to the status of recommendations outlined in the Property Management Unit Audit from 2020.

Recommendation 1 Status

Substantially Addressed. Access to the Excel onsite currency ledger has been restricted to two employees that only observe currency recounts and do not handle currency.

POLICE DEPARTMENT Response – Recommendation 1 Status

Agree with status. Access to the onsite currency ledger and the bank ledger is limited to two Currency Custodians. The PMU supervisor and Oversight Custodian have read-only privileges for the onsite currency ledger and the bank ledger. Only the Currency Custodians have AXON RMS privileges to prepare Property Currency Audit forms (PCA). All PCA forms must be approved by the PMU lieutenant or the PMU captain.

Recommendations 2 and 10 Status

Addressed. RMS currency record deletion privileges have been removed for all PMU staff. Although RMS currency record modification privileges have not been limited to those without oversight responsibilities or onsite currency/checkbook access, RMS currency record modifications require completion of an incident supplemental report approved by a supervisor.

POLICE DEPARTMENT Response – Recommendations 2 and 10 Status

Agree with status as of 9/30/23. The RMS currency record can only be changed by submitting an incident supplemental report. All incident supplemental reports must be approved by a supervisor.



Recommendation 3 Status

Substantially Implemented. A new Oversight Custodian role having no currency handling or recordkeeping responsibilities has been created to periodically verify the completeness of the Excel onsite currency ledger and the contents of the currency safe.

POLICE DEPARTMENT Response – Recommendation 3 Status

Agree with status as of 9/30/23. Since AXON RMS went live, the Oversight Custodian only has RMS read-only privileges for PCA reports. The Oversight Custodian has never had privileges to modify the onsite currency ledger or bank ledger. Only the Currency Custodians have RMS permission to create a PCA report. Only the PMU captain and lieutenant can approve a PCA report.

Recommendation 9 Status

Substantially Addressed. While several PMU employees with record-keeping responsibilities still have checkbook access, this risk is mitigated by oversight of bank deposited currency by the new Oversight Custodian who does not have checkbook access.

POLICE DEPARTMENT Response – Recommendation 9 Status

Agree with status as of 9/30/23. Prior to the implementation of AXON RMS, all PMU employees could modify a property description. The Oversight Custodian has read-only privileges for the currency ledgers and the PCA reports. Therefore, she cannot currently modify either ledger or create a PCA report.

Recommendations 4 and 11 Status

Partially Addressed. Though procedures were updated to require monthly reconciliation of the Excel ledgers to RMS currency records, those reconciliations are currently limited to ensuring each Excel ledger entry is entered in RMS. These reconciliations should also include verification that all RMS currency records are entered into the Excel ledgers to ensure the completeness of the ledgers. RMS and automated Excel ledger reports to use for this purpose have not yet been developed.

Invalid deleted RMS currency record risks have been addressed through removal of deletion privileges for all staff and requiring supervisory approval for all RMS record modifications as discussed in Recommendations 2 and 10 Status on page 3.

PMU should include verification that all RMS currency records are entered in the Excel ledgers in monthly reconciliation procedures and develop the necessary RMS and automated Excel ledger reports for this purpose. Also see Recommendations 6 and 13 Status on page 6 and Recommendations 7.1 and 14.1 Status on page 7, respectively.

POLICE DEPARTMENT Response – Recommendations 4 and 11 Status

Agree with status as of 9/30/23. The Oversight Custodian currently ensures each new currency submission is included on the currency and bank ledger and the RMS property record. This ensures all new currency records that have been entered into RMS during the month are also entered into the onsite currency or bank ledger and that all currency records entered into the ledgers during the month are also entered into AXON RMS. Although an automated process is not yet available, this validation is completed each month by comparing a Power BI report to both ledgers. However, this reconciliation is limited to the totals for the month and is not capable of reconciling the entire ledger against the entire AXON RMS money entries.

There are property records included on the onsite currency and bank ledger that are not in AXON RMS. An automated excel currency report cannot be developed until all onsite currency and bank ledger entries are included in AXON RMS along with the associated reports, property records, and property dispositions. The PMU staff is working with Data Systems to identify those items that are included in the currency and bank ledgers but are not in AXON RMS. Once those entries have been identified, PMU management will work with Records and Data Systems to have those reports and associated property records and dispositions entered or transferred into AXON RMS. A plan for having all property records entered into AXON RMS will be developed by March 1, 2025.

Recommendations 5 and 12 Status

Substantially Implemented. Documentation supporting most currency releases is reviewed monthly by an employee in a new Oversight Custodian position. Consideration should be given to extending these reviews to include rare instances where currency is released to owners through investigators or the courts. Additionally, development of automated Excel ledger reports should be considered to increase the efficiency of the monthly reviews. Also see Recommendations 6 and 13 Status on page 6.

POLICE DEPARTMENT Response – Recommendations 5 and 12 Status

Agree with status as of 9/30/23. Investigators are required to complete an incident supplemental report when releasing money to owners. All such reports must be approved by a supervisor. This occurs infrequently. Most money released to owners is completed by PMU staff. If funds were to be released by the PMU staff in response to a court order, the court documents would be uploaded into AXON RMS by the PMU staff.

Recommendations 6 and 13 Status

Partially Implemented. The use of manual currency logs has been discontinued and several Excel ledger data limitations have been addressed. Automated Excel ledger reports have also been developed for providing Agency Fund accounting updates to the Accounting Services Division. However, automated Excel ledger reports have not been developed for use in carrying out oversight procedures, though those procedures are carried out through other means.

PMU should develop automated Excel ledger reports to use in carrying out oversight procedures, including the completeness of ledgers by agreement to RMS currency records (Recommendations 4 and 11 Status), and the validity of currency releases or transfers (Recommendations 5 and 12 Status). Additional Excel ledger improvements ensuring the accuracy, completeness, and consistency of entered data (e.g., data type entry restrictions, content protection) should also be considered.

POLICE DEPARTMENT Response – Recommendations 6 and 13 Status

Agree with status as of 9/30/23. An automated report has been developed for the onsite and bank deposit ledger. The report is run each month and compared to the bank balance. A copy is sent to the Finance Department. The Oversight Custodian utilizes the Power BI report to justify the RMS currency records with the onsite and bank ledgers. In doing so, she verifies the validity of modifications, currency releases, and transfers each month.

Recommendations 7.1 and 14.1 Status

Not Implemented. These recommendations were not implemented in anticipation of conversion to a new RMS on September 25, 2023. Conversion to the new RMS did not include an import of all existing RMS currency records and is therefore incomplete. Additionally, controls ensuring accurate and complete RMS currency record entries had not been implemented and automated reports for use in carrying out oversight procedures had not been developed. However, PMU has been developing a solution to address these recommendations since the follow-up date.

PMU should continue working with the POLICE DEPARTMENT Data Systems Unit to:

- Import the remaining RMS records for existing currency held and address any limitations preventing accurate or complete reporting.
- Assess and correct inconsistencies in existing/imported currency record data in the new RMS and make corrections as necessary.
- Develop edit controls, exception reports or other means of ensuring new currency data entered in the new RMS is accurate and complete.
- Develop automated reports to use in carrying out oversight procedures such as agreement to the Excel currency ledgers.

POLICE DEPARTMENT Response – Status 7.1 and 14.1

Agree with status. PMU management has requested Data Systems address the data transfer issue with AXON. They have also requested AXON develop a Property Management Report that would notify investigators when dispositions were due and then notify their supervisor if the dispositions were not updated in seven days. AXON has responded by stating they are working on a prototype. Management will meet with AXON within 90 days to establish a firm timeline for the implementation of a Property Management Report.

PMU management has requested Data Systems assist in determining which cash items currently held in the PMU Account and included on the onsite currency and bank ledgers are not in AXON RMS. Once those items are identified, steps will be taken to move those items and associated records into

AXON RMS. A plan for having all property records entered into AXON RMS will be developed by March 1, 2025. Once those records are added, automated AXON RMS reports to use in carrying out oversight procedures will be developed. The accuracy and completeness of currency data entered in AXON RMS is currently verified through the monthly reconciliation by the Oversight Custodian.

It is important to note that there is property in the PMU dating back to at least 1969. At that time, the department did not use case numbers. After case numbers came into use, the department used case numbers in at least two different formats.

The onsite currency ledger was implemented in 2002. The bank ledger was implemented in 2016. In 2020, all currency in the PMU account that could not be identified was transferred to the general fund by court order. That move allowed the onsite currency and bank account ledgers to balance with the PMU account.

Recommendations 7.2 and 14.2 Status

Addressed. POLICE DEPARTMENT assessed the feasibility of using the RMS as the primary currency record and determined continued use of the Excel ledgers would provide more reliability, accessibility, and continuity.

POLICE DEPARTMENT Response – Recommendations 7.2 and 14.2 Status

Agree with status. PMU personnel cannot utilize AXON RMS as the primary currency record until all cash items currently held in the PMU Account are also included in AXON RMS. Data Systems is working to identify those cash items that are not entered into AXON. Once those items are identified, PMU personnel will work with Records and Data Systems to have those items and associated reports transferred or entered into AXON RMS. A plan for having all records entered in AXON RMS will be developed by March 1, 2025.

Recommendation 15.1 Status

Implemented. The Agency Fund was appropriately reduced for the \$26,746 transferred to the General Fund.

POLICE DEPARTMENT Response – Recommendation 15.1 Status

Agree with status.

Recommendation 15.2 Status

Addressed. Court approval was obtained to declare unclaimed and transfer \$171,856 to the General Fund while original deposit or owner records were found for the remaining \$33,464.

POLICE DEPARTMENT Response – Recommendation 15.2 Status

Agree with status.

Recommendation 8.1 Status

Addressed. Procedures have been revised to encourage more timely currency disposition reviews. The revised procedures require onsite currency to be assessed and disposed (i.e., deposited, released, or retained) within 7 days and the status to be routinely reviewed and updated by investigators. The onsite currency balance decreased from \$658,000 as of June 30, 2019, to \$50,000 as of September 30, 2023.

POLICE DEPARTMENT Response – Recommendation 8.1 Status

Agree with status. Money is continually booked into the PMU. As of October 31, 2024, the safe balance was \$30.00. Although the amount of funds held in the PMU safe fluctuates daily, the PMU staff has maintained the safe balance at low levels for some time.

Recommendation 16.1 Status

Partially Addressed. Procedures have been revised to encourage more timely currency disposition reviews. The revised procedures require the status of bank deposited currency to be routinely reviewed and updated by investigators. However, regular Investigative Unit reviews were not yet automated, monitored, and/or enforced; but PMU staff have been manually compiling and routing the cases for investigator status reviews and updates.

The bank deposited currency balance more than tripled from June 30, 2019, to September 30, 2023. As shown in Table 1 (A) on page 9, PMU estimated two-thirds of the balance is pending investigator disposition decisions.

PMU should work with the POLICE DEPARTMENT Data Systems Unit to develop automated RMS routing and reporting to facilitate timely currency disposition reviews. See Recommendations 8.2 and 16.2 Status below. Additionally, the timeliness of investigator reviews and updates should be monitored and enforced for compliance with revised procedures.

POLICE DEPARTMENT Response – Recommendation 16.1 Status

Agree with status. PMU management has requested Data Systems address the data transfer issue with AXON. PMU has requested AXON develop a Property Management Report that will notify investigators when property dispositions are needed and notify their supervisor when the disposition is not completed in a timely manner. A plan for having all records entered into AXON RMS will be developed by March 1, 2025.

For the last several months PMU personnel have been focusing on preparing as many disposition lists as possible. The PMU staff has placed an emphasis on cash items held in the PMU account. When a “return to owner” disposition is received from an investigator, notification letters are sent to that person. Since August 2024, the PMU staff has returned \$168,429.14 to the owner or last person in possession. They have sent fifteen disposition lists to the MCO. Four of those lists were money transfer lists. The MCO has advised the money transfer lists will be placed on the court’s

December docket. Court orders have been obtained on nine property disposition lists. PMU personnel are in the process of preparing several more money transfer lists that total approximately \$600,000.

In addition, the PMU staff prepared lists of cash items that need an updated disposition or an updated address for the owner or last person in possession. The lists were sent to the Investigations Division, the Special Operations Division, the Uniform Support Division, and the Fire Marshall's Office. Those lists include items totaling approximately \$530,000.

There are approximately 32,000 items on the currency/bank ledger. Approximately five-thousand of those items have not yet been disposed. Many of those items need an updated disposition or an updated address for the owner or last person in possession. Some of those items will have an appropriate disposition of "Hold" depending on the status of the criminal or asset forfeiture case.

Recommendations 8.2 and 16.2 Status

Not Implemented. Consistent RMS data fields or labels have not been created or used to develop automated RMS routing and reporting that would facilitate more timely currency disposition reviews and/or updates.

PMU should work with the POLICE DEPARTMENT Data Systems Unit to create and use RMS data fields or labels to develop automated RMS routing and reporting to facilitate more timely currency disposition reviews and updates.

POLICE DEPARTMENT Response – Recommendations 8.2 and 16.2 Status

Agree with status. It is not currently possible to accomplish this with AXON RMS. PMU management has requested Data Systems work with AXON to develop a Property Management Report. AXON has responded by stating they are working on a prototype. Management will meet with AXON within the next 90 days to establish a firm timeline for the implementation of a Property Management Report. In addition, PMU management has requested Data Systems assistance in determining which of the 5,000 currency items listed on the bank ledger are not included in the AXON RMS. Once those cases are identified, PMU Management will work with Data Systems and Records to have those cases entered or transferred into AXON RMS. A plan for having all property records entered into AXON RMS will be developed by March 1, 2025.

Recommendation 16.3 Status

Implemented. High-dollar drug-related currency bank deposits approaching asset forfeiture statute of limitations were identified, assessed, and processed. As shown in Table 1 (B) on page 9, PMU estimates *bank deposited* currency pending asset forfeiture processing or approval was only about 8% of the bank balance as of September 30, 2023.

POLICE DEPARTMENT Response – Recommendation 16.3 Status

Agree with status. The PMU staff is in the process of preparing money transfer lists that contain currency items booked by Special Projects and other narcotics investigators. The sum of those lists is approximately \$600,000. Once those money transfer lists are completed and notification letters have been sent, they will be forwarded to the MCO.

Recommendation 17.1 Status

Partially Implemented. Owner identification and notification procedures were revised to address suggested improvements from the MCO and two General Fund transfers totaling approximately \$47,000 for unclaimed property were court-approved and processed. However, additional unclaimed currency transfers and related requests for district court approval were suspended by the MCO after determining that the revised procedures were not being fully carried out. After our follow-up date, management provided investigator training on how to carry out the revised owner identification and notification procedures.

As shown in Table 1 on page 9, as of September 30, 2023, PMU estimated a combined total of \$546,544 of the \$2.467 million *bank deposited* total was pending either (C) Owner Release or Unclaimed Declaration or (D) Unclaimed Property Transfer Approval (from district court). These pending amounts accounted for a combined 45% of the cases and 22% of the balance as of September 30, 2023.

PMU should continue to work with the MCO to fully implement the revised owner identification and notification procedures and to transfer *bank deposited* currency deemed unclaimed to the General Fund. Also see Recommendation 17.2 Status below.

POLICE DEPARTMENT Response – Recommendation 17.1 Status

Agree with status as of 9/30/23. Directives place the responsibility for making property and cash dispositions on the assigned investigator. The PMU staff relies on investigators to enter appropriate dispositions and updated address information. In most cases the PMU staff does not have the responsibility or authority to make dispositions. To assist investigators with making proper dispositions, the PMU staff created training that was distributed to department personnel. Most issues with the MCO have been resolved. The MCO has agreed to stop rejecting entire money transfer lists when they find an entry they do not approve. Instead, each entry will be addressed individually.

Recommendation 17.2 Status

Not Implemented. Use of the RMS or Excel bank deposited currency ledger to record and report currency owner information to facilitate more effective and efficient compliance with statutory owner identification requirements had not been implemented as of the follow-up date.

PMU staff should work with the POLICE DEPARTMENT Data Systems Unit to assess the feasibility of using the RMS or Excel bank deposited currency ledger to record and report owner

information allowing for more effective and efficient compliance with statutory owner identification requirements.

POLICE DEPARTMENT Response – Recommendation 17.2 Status

Agree with status as of 9/30/23. Entering currency owner information is the responsibility of the assigned investigator. Investigators are required to enter that information in AXON RMS when making a disposition. Investigators and PMU staff have been instructed to utilize the last known address listed in AXON RMS. Doing so meets the department's statutory requirements. The PMU produced training on this issue that was provided to department personnel.

AXON RMS now includes an automated letter production function that allows the PMU staff to prepare and mail notification letters more quickly.

Recommendation 18.1 Status

Partially Implemented. The proceeds from unclaimed property sales are sent directly to the City Treasurer's Office. However, unclaimed property records are not reviewed to verify the completeness or validity of property sold or disposed.

PMU should work with the POLICE DEPARTMENT Business Office and City Treasurer's Office to develop procedures for reviewing unclaimed property records to ensure related receipts from third party auctions are complete or another valid disposition has occurred.

POLICE DEPARTMENT Response – Recommendation 18.1 Status

Agree as of 9/30/23. Items identified for sale are placed on a sale list which is sent to the MCO. Once court approval is obtained, those items are picked up by PROPERTYROOM.COM and placed on that vendor's website for sale. Those items are either sold or destroyed after a specified period. PROPERTYROOM.COM then sends a check for any proceeds to the City Treasurer.

When the City Treasurer's Office receives a check from PROPERTYROOM.COM, they scan a copy to the Police Finance Office. The Police Finance Office has access to the department's account with PROPERTYROOM.COM. Police Finance compares the check received to the items listed in PROPERTYROOM.COM. Police Finance then provides the City Treasurer's Office with recording information including the fund, account, and department information.

The PMU staff has requested Data Systems work with AXON to develop a location/status field for property sent to a vendor for sale. Once the location/status fields are in place, PMU management will request AXON develop an automated report for pulling this data within a specified period.

Once those features are in place, PMU management will work with Police Finance and the City Treasurers Office to develop procedures for reviewing unclaimed property records to ensure related receipts from third party auctions are complete or another valid disposition has occurred.

Recommendation 18.2 Status

Not Implemented. A location/status field has not been added to RMS unclaimed property records in the new RMS and no automated RMS reports have been developed for use in reviewing unclaimed property sale dispositions.

PMU should work with the POLICE DEPARTMENT Data Systems Unit to add a location/status field to unclaimed property records in the new RMS and develop automated RMS reporting to use in reviewing unclaimed property sales for appropriate dispositions.

POLICE DEPARTMENT Response – Recommendation 18.2 Status

Agree with status. PMU staff has requested Data Systems work with AXON to develop a location/status field for property sent to a vendor for sale. Once the location/status fields are in place, PMU management will request AXON develop an automated report for pulling this data within a specified period of time. Management will meet with AXON within the next 90 days to establish a firm timeline for implementation of these features.

Summary

There are approximately 325,000 property or cash items in the Property Management Unit that are contained in AXON RMS. It is not known how many items are in the PMU that are not included in AXON RMS. Some items were placed in the PMU as far back as 1969. Over the years, the department has used books, Vauna RMS, Surelock, In-Pursuit, Hexagon RMS, and AXON RMS to track property. The department has used microfilm, Varuna RMS, Hexagon RMS, and AXON RMS to manage police records. At one point, reports did not have case numbers. Since the inception of case numbers, the department has utilized two different formats. As the department moved from one records system to another, not all data was transferred to the next system.

Many reports, property items, and property dispositions were not transferred to AXON. Property not included in AXON will not be readily visible to the PMU staff. If the reports associated with property are not in AXON, investigators cannot make a disposition.

Varuna had a property management function that notified investigators when dispositions were needed. AXON has not yet developed a similar system. Without such a report, there is no easy way for investigators or their supervisors to know if a disposition is needed. However, PMU staff can use Power BI to obtain that information. They then compile lists of items that need an updated disposition and/or updated address information and send those lists to the various investigative divisions.

Data Systems is working with AXON to address the data transfer issue. The PMU staff has placed an emphasis on currency dispositions. They are working with Data Systems to determine which cash items listed on the currency ledgers are not included in AXON. Once those items are identified, the PMU staff will work with Data Systems and Records to have the reports, property records, and property dispositions associated with those items transferred or entered into AXON RMS.

PMU management is working with AXON, the Investigations Division, Records, and Data Systems to develop a strategic plan to address the deficiencies outlined in this memorandum.

If any further action or information is required, please advise.