

# STATE OF MINNESOTA

## Office of the State Auditor



**Rebecca Otto**  
**State Auditor**

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**WASHINGTON COUNTY DRUG TASK FORCE**  
**STILLWATER, MINNESOTA**

**AGREED-UPON PROCEDURES**

**DECEMBER 19, 2011**

## **Description of the Office of the State Auditor**

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

**Audit Practice** - conducts financial and legal compliance audits of local governments;

**Government Information** - collects and analyzes financial information for cities, towns, counties, and special districts;

**Legal/Special Investigations** - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

**Pension** - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

**Tax Increment Financing** - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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STILLWATER, MINNESOTA**

**December 19, 2011**



**Agreed-Upon Procedures**

**Audit Practice Division  
Office of the State Auditor  
State of Minnesota**

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STATE AUDITOR

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## INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Sue Perkins, State Program Administrator  
Minnesota Department of Public Safety

Washington County Drug Task Force  
Oversight Committee

We have performed the procedures enumerated below, which were agreed to by the Minnesota Department of Public Safety and the Washington County Drug Task Force, solely to assist you in determining that the Washington County Drug Task Force followed policies and procedures regarding accounting for seized funds and property and related forfeitures and the use of confidential/drug buy funds. These procedures were applied to the Washington County Drug Task Force records for the 12-month period ending November 30, 2011. The Washington County Drug Task Force's management is responsible for the records of the Task Force. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Minnesota Department of Public Safety and the Washington County Drug Task Force. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### 1. Procedure

Determine that seized funds and property and related forfeitures are accounted for in accordance with policies, procedures, and regulations.

### Findings

We obtained listings of all property seized subject to forfeiture for the 12-month period ending November 30, 2011. The 55 items on the lists consisted of cash and vehicles. We selected 2 vehicles and 4 cash seizures for testing. We traced the documentation of the

activity for each selected item from the point of seizure to the record of the item being held in forfeiture pending judicial order or to the forfeiture record for closed cases, as applicable. We noted that cash seized subject to forfeiture is maintained in the evidence room. It is not deposited into a designated bank account in accordance with 3-14.5.5 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual adopted by the Gang/Drug Oversight Council. This practice is followed as advised by the Washington County Attorney.

For one of the seized vehicles selected for testing, we noted that the case file and police report documented it as being processed administratively. As part of tracing activity for this, we inquired why there was no Notice of Seizure and Intent to Forfeit Property Form. We were informed that this case was ultimately processed as a judicial forfeiture whereby the Notice of Seizure and Intent to Forfeit Property Form was not applicable. The County Attorney ultimately provided the documentation supporting the judicial forfeiture process.

Minnesota Statute § 609.5315, subd. 6(d), requires multijurisdictional law enforcement entities to report forfeiture activities to the State Auditor on their own behalf. We noted that the Washington County Drug Task Force's forfeitures were reported with and by the Washington County Sheriff's office. We recommend the Task Force report forfeitures on its own behalf.

2. Procedure

Determine that the use of confidential/drug buy funds is accounted for in accordance with policies, procedures, and regulations.

Findings

We obtained a list of all purchases made with buy funds from December 1, 2010, to November 30, 2011. Buy funds are kept in a locked safe in the Task Force Commander's office. The Commander replenishes them by cashing a check from the Task Force's fiscal agent. Buy funds are generally used for payments to confidential informants for information, drug purchases, and flash money. We selected 12 of the 126 items on the list to trace the documentation of activity from the point of request for buy funds to the approval. Of the 12 items selected, 3 were payments to confidential informants, 8 were for purchases of drugs, and 1 was a payment for a trash pull. We noted that the dates on one of the buy fund receipts for payment to a confidential informant for previous drugs fronted was made on December 20, 2010; however, the officer and witness signatures on the receipt were dated December 6, 2010. The approval was also dated December 6, 2010. Typically, the transaction, witness, and approval dates would all be the same.

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We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Minnesota Department of Public Safety and the Washington County Drug Task Force and is not intended to be, and should not be, used by anyone other than those specified parties.

*/s/Rebecca Otto*

REBECCA OTTO  
STATE AUDITOR

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

December 19, 2011