

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

**ANOKA-HENNEPIN NARCOTICS AND
VIOLENT CRIMES TASK FORCE
ANOKA, MINNESOTA**

AGREED-UPON PROCEDURES

March 7, 2012

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.

Office of the State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103
(651) 296-2551
state.auditor@osa.state.mn.us
www.auditor.state.mn.us

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance; or visit the Office of the State Auditor's web site: www.auditor.state.mn.us.

**ANOKA-HENNEPIN NARCOTICS AND
VIOLENT CRIMES TASK FORCE
ANOKA, MINNESOTA**

March 7, 2012



Agreed-Upon Procedures

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

This page was left blank intentionally.



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Sue Perkins, State Program Administrator
Minnesota Department of Public Safety

Oversight Committee
Anoka-Hennepin Narcotics and Violent Crimes Task Force

We have performed the procedures enumerated below, which were agreed to by the Minnesota Department of Public Safety and the Anoka-Hennepin Narcotics and Violent Crimes Task Force, solely to assist you in determining that the Anoka-Hennepin Narcotics and Violent Crimes 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 Anoka-Hennepin Narcotics and Violent Crimes Task Force records for the 12-month period ending December 31, 2011. The Anoka-Hennepin Narcotics and Violent Crimes 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 Anoka-Hennepin Narcotics and Violent Crimes 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 a list of all property seized subject to forfeiture for the 12-month period ending December 31, 2011. The 74 items on the list consisted of cash, vehicles, and weapons. We selected 3 weapons, 4 cash seizures, and 2 vehicles 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 the following:

- The policy identified in 3-14.5.2 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual adopted by the Gang/Drug Oversight Council is for Seized/Evidence Currency Logs to be completed for each of the Task Force's cash seizures. Two of the cash forfeitures tested did not have a Currency Log included in the forfeiture documentation.
- For seized vehicles that are to be released to owners, the Task Force notifies the owner and the City of Coon Rapids impound lot. The City obtains a signature upon release of the vehicle. While not currently required by policy, the City could forward a copy of the signed release form to the Task Force to complete the trail of accountability.
- As seized vehicles are turned over by the Task Force to the City of Coon Rapids to be placed in its impound lot, a copy of the Coon Rapids Police Department's Evidence Sheet is provided to the Task Force. In one instance, we noted this Evidence Sheet was not on file with the Task Force.

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 January 1 to December 31, 2011. Buy funds are kept in a locked safe in the Task Force Supervisors' office. The Commander replenishes the buy funds 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 20 of the 242 items on the list to trace the documentation of activity from the point of request for buy funds to approval. Of the 20 items selected, 5 were payments to confidential informants, 11 were for purchases of drugs, 3 were payments for trash pulls, and 1 was for an investigation expense. We noted the following:

- One payment made to a confidential informant for the purchase of drugs did not contain a witness signature as required by 3-12.8 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual adopted by the Gang/Drug Oversight Council and Section III.G.2 of the Anoka-Hennepin Narcotics and Violent Crimes Task Force Standard Operating Procedure for Confidential Informants.
- The Task Force does not copy buy funds prior to disbursement for drug purchases. While not currently required by policy, this procedure, if implemented, would aid the Task Force in identifying buy funds amongst seized cash.
- In one of the items tested, a confidential informant was paid for information and a controlled drug buy on August 18, 2011, but did not sign a confidential informant agreement until the following day. According to Section III.D.2 of the Anoka-Hennepin Narcotics and Violent Crimes Task Force Standard Operating Procedure for Confidential Informants, no informant will be used as an operator or active participant in an investigation without the Task Force officer first having signed the informant as a confidential informant.
- One of the drug purchases tested was made by a confidential informant. When we asked to see the confidential informant file, we were told that it was currently at the investigating officer's police department. According to Section III.C.2 of the Anoka-Hennepin Narcotics and Violent Crimes Task Force Standard Operating Procedure for Confidential Informants, all confidential informant files should be kept in a secure file at the Task Force office.
- It is the practice of the Task Force for one of two supervisors to sign the Confidential Funds Receipt when cash is given to an investigating officer and to sign the Expense Report submitted by the investigating officer once the purchase has been completed. We noted one Confidential Funds Receipt and one Expense Report that were not signed by a supervisor.
- According to Section III.G.2 of the Anoka-Hennepin Narcotics and Violent Crimes Task Force Standard Operating Procedure for Confidential Informants, all monies paid to an informant will be recorded on a payment log in the informant file by the assigned Task Force investigator. We noted one payment to a confidential informant for information that was not documented on the payment log in the confidential informant's file.
- It is the practice of the Task Force to have a witness sign the original confidential informant agreement along with the confidential informant and the assigned Task Force investigator. We noted one confidential informant agreement that was not signed by a witness.

- We noted one Expense Report for a payment to a confidential informant for a controlled drug buy that did not identify the confidential informant's number as required by 3-13.6 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual adopted by the Gang/Drug Oversight Council.

* * * * *

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 Anoka-Hennepin Narcotics and Violent Crimes Task Force and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

/s/Greg Hierlinger

REBECCA OTTO
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

March 7, 2012