The Office of the Sheriff Does a Good Job of Safeguarding Inmate Property; Controls for Disposal of Unclaimed Property Should be Strengthened

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To the Honorable Chairwoman
of the Board of Supervisors
of the County of Milwaukee

We have completed an audit, *The Office of the Sheriff Does a Good Job of Safeguarding Inmate Property; Controls for Disposal of Unclaimed Property Should be Strengthened.*

In the attached report, we describe the manner in which the property of individuals booked into the Milwaukee County Correctional Facility–Central (County Jail) is processed, inventoried and stored. The report also includes a comparison of the performance of the Office of the Sheriff in safeguarding inmate property, as well as staffing levels for the function, with other Wisconsin counties. A review of internal controls and compliance with statutory provisions related to proper disposal of unclaimed inmate property, and associated audit recommendations, is also included in the report.

A response from the Office of the Sheriff is included as **Exhibit 3.** We appreciate the cooperation extended by management and staff of the Office of the Sheriff during the course of this audit.

Please refer this report to the Committee on Finance, Personnel and Audit.

Jerome J. Heer
Director of Audits

JJH/DCJ/cah

Attachment

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
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Don Tyler, Director, Department of Administrative Services
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The Office of the Sheriff Does a Good Job of Safeguarding Inmate Property; Controls for Disposal of Unclaimed Property Should be Strengthened

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Summary

The Milwaukee County Correctional Facility-Central (County Jail) is located adjacent to the County Courthouse in the Criminal Justice Facility (CJF). The County Jail inmate population primarily includes accused felons and misdemeanants until they are released on a pre-trial basis or are adjudicated. It also includes a small number of sentenced offenders awaiting hearings on new charges, or transfers to other secure detention facilities. In 2013, the Office of the Sheriff (MCSO) booked 34,541 arrestees. Following is an abbreviated overview of the manner in which inmate property is processed at the County Jail. A more detailed flowchart diagramming the process is provided as **Exhibit 2**.

Inmate Property Processing Overview

- Persons are arrested by municipal police officers or by Milwaukee County Deputy Sheriffs.
- Arrestees are transported to the CJF for booking.
- MCSO staff takes an inventory of arrestees' property, entering items in the Criminal Justice Information System (CJIS) database.
- The property, including clothing and valuables, are placed in each inmate's individually-numbered 'blue bag,' which resembles a garment bag, along with an inmate property receipt which details the contents as entered into the CJIS database. An inmate or designee must sign an inmate property receipt to document the release of the property.
- MCSO staff updates the CJIS database to reflect release of the property.

County Board Resolution 12-788 requested the Office of the Comptroller—Audit Services Division (Audit Services) to perform an audit of the Office of the Sheriff's Inmate Property Room, including staffing needs and performance. This audit report fulfills that request.

Based on the limited number of claims in relation to the volume of bookings, the Office of the Sheriff is doing a good job safeguarding inmate property.

A key measure of the performance of the inmate property room is to analyze the number of claims filed by inmates against the County for improperly handled property. In 2013, there were 34,541 bookings and 11 claims were filed, a rate of 0.03%. Another indicator of the performance of the Office of the Sheriff's inmate property room function is the number of claims resulting in payments from the County's insurer to inmates for lost or damaged property. During the past four years, the incidence rates of paid claims per booking is about half that of claims filed. The data also show the small number of property claims that have been paid annually have resulted in very modest

payments to inmates. For instance, in 2013, five claims resulted in payments to inmates totaling $1,532.

Milwaukee County's incidence of paid claims per booking is comparable to that of four other Wisconsin counties.

We surveyed four other Wisconsin counties, including the three next most populous after Milwaukee County, for information on their number of claims paid and bookings for 2013. Milwaukee County's incidence rate of 0.01% of inmate property claims paid in relation to total bookings was comparable to those counties. Milwaukee County's incidence rate was slightly more than Brown and Waukesha counties, which had no paid claims in 2013, and was less than Dane and Kenosha counties.

Available data suggest that Milwaukee County's inmate property room function is staffed as, or more, efficiently than other Wisconsin counties surveyed.

A number of factors can affect the direct comparability of staffing levels among different jurisdictions. Such comparisons can be imprecise due to differences in organizational structures, operational processes, labor-tracking capabilities, scale of operations, or other factors. As a result of these types of differences, we cannot definitively rank the efficiency of the inmate property function staffing levels among the five counties reviewed. However, available data suggest that Milwaukee County's staffing level for the inmate property function of approximately 0.2 Full-Time Equivalent positions per 1,000 bookings is as or more efficient than that of the other counties surveyed. We base this general conclusion of the following information:

- The number of bookings processed by each jurisdiction in 2013.
- Staffing patterns identified by the various jurisdictions, adjusted for off-time relief factors based on interviews with supervisors and/or managers of the functions.
- An upward adjustment for 2,000 hours of overtime incurred by Milwaukee County to staff the function.

Controls for disposal of unclaimed property should be strengthened.

As described in **Section 1** of this report, our findings suggest the inmate property unit has done a good job of safeguarding the property of inmates while they are incarcerated. Based on interviews with the property room manager and staff, this performance has resulted without use or knowledge of existing written policies and procedures governing inmate property room operations.

Instead, staff told us that procedures are passed down as 'what we've always done' and found on various forms and instruction sheets given to inmates concerning their property. A policy and procedure manual more detailed than existing procedures for the inmate property room would help

ensure consistent, documented procedures are in place. This would help document consistent staff actions in the event of a property claim and ensure continuity through staff turnover.

The property manager did locate a written document which contains a list of procedures relating to inmate property. The document is dated 1993 with a 2008 update notation. However, during initial interviews, neither the property manager nor staff members were aware of its existence, and therefore were not using the document for guidance in their day to day operations. Our review of current operations indicates the need to update the 2008 procedures identified by the property manager, and to distribute and familiarize staff with the procedures.

Unclaimed inmate items of value are separated from any detailed inventory records and co-mingled with others in preparation for occasional on-line auction sale throughout the year. This practice effectively eliminates any accountability for the items and does not appear to meet all applicable statutory requirements.

Our research identified two Wisconsin State Statutes that arguably can be applied to the disposal of unclaimed inmate property. Practices used by Office of the Sheriff staff do not fully comply with either statute. Circumstances occur that result in inmates not picking up their property. According to the inmate property manager, a typical instance would involve an inmate who is transferred to a state prison facility that does not accept any property transfers. Inmates are instructed to have a designated person pick up the property. Per instructions, inmates or their designees are given 10 days to pick up their property or it will be destroyed. The inmate property manager noted that the actual timeframe before action is taken on the property is usually a month or so, depending on when time is available to assess the property for final disposition.

The 10-day policy, in place since at least 1993, conflicts with Wis. Stats. § 59.66(3), which specifies that such property is to be disposed of after one year. However, our survey of four other Wisconsin counties indicates none of those Sheriff's departments adhere to the one-year period prior to disposal of unclaimed inmate clothing, although Waukesha County retains items of value for one year prior to selling them at an annual auction.

The Dane County Sheriff's Office directed our attention to a separate provision of the statutes, Wis. Stats. § 66.0139(2), that it applies in the disposal of unclaimed inmate property. That provision allows for the disposal of personal property which has been abandoned or unclaimed for a period of 30 days. In discussing procedures for disposal of unclaimed inmate property, the property manager was unfamiliar with either statutory provision identified in this report. Based on the procedures described by the property manager, current practices do not fully comply with either provision.

The Office of the Sheriff should strengthen its controls over unclaimed property to prevent loss of items prior to sale or disposal, and to detect such instances should they occur.

Once an inmate's property is deemed unclaimed, it is set apart from all other inmate property at a location outside the property manager's office. As time permits, the manager assesses the inventory items for possible resale or reuse. At this point the property loses its identity as to its previous owner. Computer records are updated with the status code 'DISP' to reflect that the property has been disposed, with no indication as to the final disposition (sold, reused, donated, or discarded). While access is limited to a relatively small number of personnel, there are few controls to prevent or detect persons with access to the inmate property room from taking any unclaimed inmate property, including items of value, once it has been deemed to be unclaimed and awaiting final disposition. Some degree of control could be maintained if each property item had been inventoried, and information concerning the date and manner of disposition were noted in the computer files.

The Office of the Sheriff's practice of reusing and donating unclaimed clothing is a logical way to handle unclaimed goods of little-to-no monetary value. However, there is no provision for this practice under Wis. Stats. § 59.66(3), and an ordinance is required to make the practice compliant with Wis. Stats. § 66.0139(2).

The property room manager uses a portion of the inmate property room as a clothing distribution center for useable unclaimed inmate clothing. One purpose is to have climate-appropriate clothing for use by released inmates that need them. For example, inmates arrested in July and released in January might not have a jacket or pants in their own inventory bag to protect them from winter weather. In such cases, clothing is provided free of charge.

The use of unclaimed inmate clothing to provide for unmet clothing needs of other inmates is a logical and commendable practice by the Office of the Sheriff. Without an authorizing County ordinance, the practice does not appear to be in strict compliance with either of the two previously-identified statutory provisions that can arguably apply to unclaimed inmate property.

Details of our findings, along with recommendations to address items of concern, are included in this report, A response from Office of the Sheriff management is included as **Exhibit 3**.

We wish to acknowledge the cooperation extended throughout the audit process by management and staff of the Office of the Sheriff.

Background

Milwaukee County has a long history of legal and fiscal issues associated with the problem of jail overcrowding. The current Milwaukee County Correctional Facility-Central (County Jail), located adjacent to the County Courthouse in the Criminal Justice Facility (CJF), opened in 1993 with a designed bed capacity of 798. As described in a previously-released audit report, *Electronic Monitoring can Achieve Substantive Savings for Milwaukee County, but Only if Pursued on a Large Scale with Satisfactory Compliance Rates (October 2013)*, jail overcrowding issues forced the County to deploy numerous inmate population management techniques throughout the 1990s and into the next decade, some of which continue today. For instance, physical capacity can be increased to 960 beds by means of double-bunking and the use of temporary overflow space. Additionally, County Jail inmates are temporarily transported and housed in an overflow situation at the County House of Correction, a secure lock-up facility in Franklin. The daily inmate population at the County Jail averaged 881 in 2013.

The County Jail inmate population primarily includes accused felons and misdemeanants until they are released on a pre-trial basis or are adjudicated. It also includes a small number of sentenced offenders awaiting hearings on new charges, or transfers to other secure detention facilities. In 2013, the Office of the Sheriff (MCSO) booked 34,541 arrestees. Following is an overview of the manner in which inmate property is processed at the County Jail. A more detailed flowchart diagramming the process is provided as **Exhibit 2**.

Inmate Property Processing Overview

- Persons are arrested by municipal police officers or by Milwaukee County Deputy Sheriffs. Items other than clothing (e.g., cash, cell phones, wristwatches, etc.) are inventoried by the arresting jurisdictions. The Milwaukee Police Department (MPD) records the results of its inventory into its computer system, and heat-seals the items in a clear, sturdy plastic bag for transport to CJF. Other municipal police departments generate manual inventory records, typically transporting the items in bags that are not heat-sealed. Most police departments provide MCSO with a hard copy of the arrestee's inventoried personal effects. Any weapons or potential evidence is retained by arresting authority and processed separately.

- Arrestees are transported to the CJF for booking.

- MCSO staff record all clothing items into the Criminal Justice Information System (CJIS) database. Items contained in the sealed bags submitted by MPD are not individually recorded; rather, an entry of 'sealed bag' is made. All non-clothing items turned in by all other municipalities, including persons arrested by Milwaukee County Deputy Sheriffs, are itemized by MCSO staff into CJIS.

- Each arrestee's property, along with the hard copy of the inventory list provided by the arresting municipal police department (if provided), is placed in an individually-numbered 'blue bag,' which resembles an oversized garment bag. Items that are too large or heavy to include in the blue bags are labeled and stored separately. All inmate property is stored in a secure room next to the booking area of CJF until the inmate is released or transferred to another facility. An inmate or designee must sign an inmate property receipt to document the release of the property.

- MCSO staff updates the CJIS database to reflect release of the property.

The inmate property room is a 24-hour, seven-days–a-week operation currently staffed with six full-time positions of Store Clerk 1 (Sheriff) and one full-time Administrative Assistant who is responsible for managing the function (property manager). According to the Administrative Assistant that supervises the function, the inmate property room is typically staffed with two clerks on first shift weekdays; two clerks on 2nd shift weekdays; and one clerk 3rd shift weekdays and all shifts on weekends. Overtime is used when necessary to maintain minimum staffing levels; overtime totaled approximately 2,000 hours in 2013.

County Board Resolution 12-788 requested the Office of the Comptroller—Audit Services Division (Audit Services) to perform an audit of the Office of the Sheriff's Inmate Property Room, including staffing needs and performance. This audit report fulfills that request.

Section 1: Based on the limited number of claims in relation to the volume of bookings, the Office of the Sheriff is doing a good job safeguarding inmate property.

In recent years, Milwaukee County has had a limited number of inmate property claims filed when compared with overall County Jail bookings. This performance is consistent with our last review of property room functions in 1999.

A key measure of the performance of the inmate property room is to analyze the number of claims filed by inmates against the County for improperly handled property. In 1999, we performed a similar audit of Milwaukee County inmate property room functions. At that time, we found that inmate property claims did not represent a high risk or a significant financial commitment for Milwaukee County. The audit report cited an incidence rate of 0.05% in terms of claims filed in relation to the number of bookings in 1998. Of the 38 claims that were closed that year, 14 resulted in payments from the County's insurer that totaled $3,524.

Current data show the Office of the Sheriff's inmate property room function is doing a good job of returning property to inmates upon their release or transfer from the County Jail.

Using the same performance measure of annual claims filed, current data show the Office of the Sheriff's inmate property room function is doing a good job of returning property to inmates upon their release or transfer from the County Jail. In 2013, there were 34,541 bookings and 11 claims were filed, a rate of 0.03%. Five claims resulted in payments to inmates totaling $1,532.

Table 1 provides a summary of annual incidence rates of inmate property claims filed in relation to the number of bookings for the period 2010 through 2013.

Table 1
Incidence Rates of Inmate Property Claims Filed
In Relation to Total Milwaukee County Jail Bookings
January 2010–December 2013

Year	Total Bookings	Claims Filed	Claims Filed Incidence Rate
2010	39,887	27	0.07%
2011	42,617	17	0.04%
2012	34,816	10	0.03%
2013	34,541	11	0.03%
Total	151,861	65	0.04%

Source: Claims data maintained by the Office of Corporation Counsel; booking data from Adopted Budgets and Office of the Sheriff Law Enforcement Analytics Division.

One performance indicator is the number of claims resulting in payments to inmates for lost or damaged property.

Another indicator of the performance of the Office of the Sheriff's inmate property room function is the number of claims resulting in payments from the County's insurer to inmates for lost or damaged property.

The County Clerk's office is the gateway for all claims against the County, including lost or damaged inmate property. In such cases, the Clerk forwards the claims to the appropriate department for investigation (e.g., the Office of the Sheriff in claims involving inmates housed at the County Jail) and the Corporation Counsel, who in turn sends a copy to the County's insurer.

Office of the Sheriff staff review available records to ascertain the facts of the case to verify or refute the claimed loss, such as inventory records, documents authorizing transfer or release of inmate property to other correctional institutions or specified individuals documented by a signed receipt, etc. The Office of the Sheriff provides a report itemizing the key facts of the claim and indicates its conclusions to the Office of Corporation Counsel, who in turn provides the information to the County's insurer. Based on that report, the County's insurer will either

deny the claim, or make a full or partial payment in settlement of the claim.

The small number of property claims that has been paid annually have resulted in very modest payments to inmates from the County's insurer.

As shown in **Table 2**, the incidence rates of paid claims per booking is about half that of claims filed. The data also show the small number of property claims that has been paid annually has resulted in very modest payments to inmates from the County's insurer.

Table 2
Incidence Rates of Inmate Property Claims Paid in Relation to Total Milwaukee County Jail Bookings January 2010–December 2013

Year	Claims Filed	Claims Paid	Total Bookings	Claims Paid Incidence Rate	Amount Paid
2010	27	11	39,887	0.03%	6,774
2011	17	6	42,617	0.01%	889
2012	10	4	34,816	0.01%	837
2013	11	5	34,541	0.01%	1,532
Total	65	26	151,861	0.02%	$10,032

Source: Claims data maintained by the Office of the Corporation Counsel.

Milwaukee County's incidence of paid claims per booking is comparable to that of four other Wisconsin counties.

We surveyed four other Wisconsin counties, including the three next most populous after Milwaukee County, for information on their number of claims paid and bookings for 2013. As shown in **Table 3**, Milwaukee County's incidence rate of 0.01% of inmate property claims paid in relation to total bookings was comparable to those counties. Milwaukee County's incidence rate was slightly more than Brown and Waukesha counties, which had no paid claims in 2013, and was less than Dane and Kenosha counties.

Table 3
Inmate Property Claims Paid Incidence Rates
in Relation to Total Jail Bookings
Selected Wisconsin Counties 2013

County	Claims Paid	Total Bookings	Claims Paid Incidence Rate
Brown	0	10,000*	0.00%
Dane	10	13,562	0.07%
Kenosha	2	8,790	0.02%
Milwaukee	5	34,541	0.01%
Waukesha	0	8,200	0.00%

*Budgeted.

Source: Audit Services Division survey.

Section 2: Available data suggest that Milwaukee County's inmate property room function is staffed as or more efficiently than other Wisconsin counties surveyed.

Comparing the staffing levels of Milwaukee County's inmate property room function with survey data from Dane, Brown, Waukesha and Kenosha counties resulted in identification of several differences.

A number of factors can affect the direct comparability of staffing levels among different jurisdictions. Such comparisons can be imprecise due to differences in organizational structures, operational processes, labor-tracking capabilities, scale of operations, or other factors. For instance, comparing the staffing levels of Milwaukee County's inmate property room function with survey data obtained from Dane, Brown, Waukesha and Kenosha counties resulted in identification of the following differences:

- Brown and Kenosha counties do not have staff devoted solely to their respective inmate property functions. In Brown County, the inmate property function is part of the overall duties performed by three staff (1st and 2nd shifts) or two staff (3rd shift) that are assigned to an intake unit. In Kenosha County 12 positions incorporate the processing of inmate property within other duties such as booking and cashiering.

- Waukesha County has one staff member exclusively devoted to the inmate property function on a 1st shift, weekday basis. Nights and weekends are covered by Correctional Officers on an as-needed basis, absorbed into their primary detention responsibilities.

- While all jurisdictions must staff the inmate property function at least minimally on a 24/7 basis, there is wide variation in the scale of operations. Two of the counties (Waukesha and Kenosha) had less than 10,000 bookings in 2013, while Milwaukee County had more than 34,000.

As a result of these types of differences, we cannot definitively rank the efficiency of the inmate property function staffing levels among the five counties reviewed. However, available data suggest that Milwaukee County's staffing level for the inmate property function is as, or more, efficient than that of the other counties surveyed. We base this general conclusion of the following information:

- The number of bookings processed by each jurisdiction in 2013.

- Staffing patterns identified by the various jurisdictions, adjusted for off-time relief factors based on interviews with supervisors and/or managers of the functions.

- An upward adjustment for 2,000 hours of overtime incurred by Milwaukee County to staff the function.

Table 4 shows the results of our comparison, expressed in terms of approximate Full-Time Equivalent (FTE) positions staffed per 1,000 bookings in 2013.

Table 4
Inmate Property Function Staffing Levels
in Relation to Total Jail Bookings
Selected Wisconsin Counties 2013

County	Approximate FTE	Total Bookings	Staff per 1,000 Bookings
Brown	2	10,000	0.2
Dane	5	13,562	0.4
Kenosha	2	8,790	0.2
Milwaukee	8	34,541	0.2
Waukesha	2	8,200	0.2

Source: Audit Services Division survey of selected counties' Sheriff Departments, including telephone interviews and e-mail correspondence with supervisors/managers of inmate property room functions; Milwaukee County Fiscal Job Costing reports for overtime hours worked.

Section 3: Controls for disposal of unclaimed property should be strengthened.

Inmate property room staff was unaware of written policies and procedures governing the responsibilities, duties, and processes relating to inmate property room operations.

As described in **Section 1** of this report, our findings suggest the inmate property unit has done a good job of safeguarding the property of inmates while they are incarcerated. Based on interviews with the property room manager and staff, this performance has resulted without use or knowledge of written policies and procedures governing inmate property room operations.

The property manager did locate a written document, titled *Detention Bureau—Inmate Property IM7*, which contains a list of procedures relating to inmate property including, but not limited to, the following topics:

- Storage of inmate property;
- Soiled inmate personal clothing;
- Release of inmate property;
- Lost property;
- Unclaimed property;
- Property disposal; and
- Inmate release of property

The document is dated 1993 with a 2008 update notation. It comprises approximately four pages of a larger procedural manual. However, during initial interviews, neither the property manager nor staff members were aware of its existence, and therefore were not using the document for guidance in their day to day operations.

Staff told us that procedures are passed down as 'what we've always done' and found on various forms and instruction sheets.

Instead, staff told us that procedures are passed down as 'what we've always done' and found on various forms and instruction sheets given to inmates concerning their property.

Chapter 349 of the Wisconsin Department of Corrections Administrative Code, pertaining to municipal lockup facilities, includes a provision stating that "…*the lockup administrator shall develop a written policy and procedure manual for the operation of each lockup facility."* The code goes on to list the components the manual should contain, including topics such as inmate health screening, medical care and suicide prevention. The code makes no mention of the need for written procedures for handling inmate property.

A more detailed policy and procedure manual would help ensure consistent, documented procedures and facilitate continuity through staff turnover.

While not required, a policy and procedure manual more detailed than existing procedures for the inmate property room would help ensure consistent, documented procedures are in place. This would help document consistent staff actions in the event of a property claim and facilitate continuity through staff turnover.

In our 1999 audit report, we noted that current property and procedures manuals should be updated, maintained, and available to all affected personnel. We also noted that all affected personnel should be properly trained on inmate property policies and procedures.

Our review of current operations indicates the need to update the 2008 procedures identified by the property manager, and to distribute and familiarize staff with the procedures. For instance, one portion of the 2008 document makes a reference to an outdated practice of participating in periodic 'Sheriff's Sales' which was discontinued by the property manager's predecessor.

In particular, the procedures need to be updated to address proper controls for the disposal of unclaimed inmate valuables, and to ensure adherence to applicable State Statutes governing such disposal.

Unclaimed inmate items of value are separated from any detailed inventory records and co-mingled with others in

preparation for occasional on-line auction sale throughout the year. This practice effectively eliminates any accountability for the items and does not appear to meet all applicable statutory requirements.

When arrestees are brought to the Criminal Justice Facility and searched, their property is held for storage. Typically, arrestees brought in by the Milwaukee Police Department (MPD) and most municipal police departments have already separated items found in the possession of an arrestee and placed them in a plastic bag. Plastic bags submitted by MPD are heat-sealed; the bags submitted by other municipal police departments typically are not. Money is separated and deposited in an inmate's trust account, The smaller items stored in the plastic bags often include items of value such cell phones, watches, jewelry, wallets or purse contents.

Office of the Sheriff staff creates a detailed record of all items in the Criminal Justice Information System, but contents of sealed plastic bags submitted by MPD are not specified.

Office of the Sheriff staff creates a detailed record of all items in the Criminal Justice Information System (CJIS), but contents of the sealed plastic bags submitted by MPD are not specified. For example, a record will have a description of each clothing item, including color (e.g., red sweatshirt, black shoes, black t-shirt, black pants), and will then list 'sealed bag, MPD.'

Most police departments provide a hard copy of items contained in the bags they deliver. According to the property manager, a hard copy of the police department's inventory list, if provided, is included in an inmate's numbered 'blue bag' along with clothing items, for secure storage. *[Note: For arrestees taken into custody by Milwaukee County Deputy Sheriffs and most municipal police departments other than MPD, a specific detailing of contents placed in the plastic bags is entered into the CJIS database.]*

Under normal circumstances, inclusion of the hard copy inventory list in the contents of the inmate's blue bag, along with signed receipts at both intake and release, provides an adequate

audit trail to prevent unjustified claims of missing inmate property.

However, the property manager acknowledged the hard copy inventory list is not always included in the contents of the blue bag when an inmate or designee signs for conveyance of the inmate property upon release. Whether such instances occur from failure to obtain the list from the arresting police department, from failure to include the list in the blue bag upon intake, or from the transfer of the blue bags between the House of Correction and the County Jail, is unknown.

Our research identified two Wisconsin State Statutes that arguably can be applied to the disposal of unclaimed inmate property. Practices used by Office of the Sheriff staff do not fully comply with either statute.

Circumstances occur that result in inmates not picking up their property.

Circumstances occur that result in inmates not picking up their property. According to the inmate property manager, a typical instance would involve an inmate who is transferred to a state prison facility that does not accept any property transfers. Inmates are instructed to have a designated person pick up the property. Per instructions, inmates or their designees are given 10 days to pick up their property or it will be destroyed. The inmate property manager noted that the actual timeframe before action is taken on the property is usually a month or so, depending on when time is available to assess the property for final disposition.

Wis. Stats. § 59.66(3)

It is unclear when the Office of the Sheriff instituted the 10-day policy, but it has been in place at least since the opening of the current Criminal Justice Facility. The policy appears in the previously-mentioned procedures listed in *Detention Bureau–Inmate Property IM7*, which was originally issued in 1993 and revised in 2008. The 10-day policy conflicts with Wis. Stats. § 59.66(3), which specifies that such property is to be disposed of after one year:

> "**(3) DISPOSITION OF UNCLAIMED PERSONAL PROPERTY OTHER THAN MONEY OR SECURITIES HELD BY COUNTY INSTITUTIONS, CORONERS, MEDICAL EXAMINERS, OR SHERIFFS.**
> *… Any property which is left at the county jail for a period of one year after the prisoner has been discharged, transferred, or committed and any property, found or stolen, which comes into the hands of the sheriff and in any case remains unclaimed for a period of one year, shall be sold as prescribed in this subsection. The sheriff shall, on or before August 1 annually, post a notice in 3 public places in the county, briefly describing the property and stating that the sheriff will sell the property at public auction on a certain date and at a specified physical location or Internet site, which auction shall be held accordingly. Any of the property which is not disposed of at the auction shall be sold for the best price obtainable, and if the property cannot be disposed of by sale, shall be destroyed in the presence of the sheriff. The sheriff shall, on or before September 1 annually, remit the proceeds of the auction or general sale to the treasurer and shall file a verified report of the sheriff's action in connection therewith. The proceeds shall become a part of the general fund of the county*."

The questionable legality of the 10-day policy was raised in a prior report issued in June 1999 by the Department of Audit.

This issue was raised in a prior report issued in June 1999 by the Department of Audit. At that time, the House of Correction was adhering to the one-year property storage time frame, while the County Jail had instituted a 10-day holding period. A legal opinion from the Office of Corporation Counsel indicated that an inmate had filed a lawsuit challenging the 10-day time period, citing Wis. Stats. § 59.66(3), when he was transferred from the Milwaukee County Jail to a state prison. The presiding judge ruled in favor of that inmate and the County subsequently reached a settlement with the inmate.

Given the amount of property that was held in storage at HOC at the time, and the potential for additional claims, the 1999 audit report recommended that the two departments work with Corporation Counsel and Intergovernmental Relations to pursue a revision to Wis. Stats. § 59.66(3), to allow for the disposal of

unclaimed inmate property after 10 days following an inmate's release, transfer to a state facility, or escape.

There has been no change in Wis. Stats. § 59.66(3) addressing the retention period since our prior audit. Statutory requirements concerning the manner in which inmate property is to be disposed have only slightly changed since 1999. In 2009, Wis. Stats. § 59.66(3) was amended to include the use of internet auction sites to sell inmate property.

Our survey of four other Wisconsin counties indicates none of those Sheriff's departments adhere to the one-year period prior to disposal of unclaimed inmate clothing.

However, our survey of four other Wisconsin counties indicates none of those Sheriff's departments adhere to the one-year period prior to disposal of unclaimed inmate clothing, although Waukesha County retains items of value for one year prior to selling them at an annual auction.

Wis. Stats. § 66.0139(2)

During our survey, the Dane County Sheriff's Office directed our attention to a separate provision of the statutes that it applies in the disposal of unclaimed inmate property.

> "**66.0139 Disposal of abandoned property.**
> **(2)** *A political subdivision may dispose of any personal property which has been abandoned, or remained unclaimed for a period of 30 days, after the taking of possession of the property by an officer of the political subdivision by any means determined to be in the best interest of the political subdivision. If the property is not disposed of in a sale open to the public, the political subdivision shall maintain an inventory of the property, a record of the date and method of disposal, including the consideration received for the property, if any, and the name and address of the person taking possession of the property. The inventory shall be kept as a public record for a period of not less than 2 years from the date of disposal of the property. Any means of disposal other than public auction shall be specified by ordinance. If the disposal is in the form of a sale, all receipts from the sale, after deducting the necessary expenses of keeping the property and conducting the sale, shall be paid into the treasury of the political subdivision."*

In discussing procedures for disposal of unclaimed inmate property, the property manager was unfamiliar with either statutory provision identified in this report. Based on the procedures described by the property manager, current practices do not fully comply with either provision.

For instance, items of value are periodically sold through an on-line auction service. However, no prior notice of the sales are posted, as required by Wis. Stats. § 59.66(3). Under that statute, the Sheriff must post a notice in three public places in the County, briefly describing the property and stating that it will be sold at public auction on a certain date and at a specified physical location or Internet site.

Wis. Stats. § 66.0139(2) does not require the public notice cited in the preceding paragraph. However, it requires maintenance of a detailed inventory record of all abandoned property not disposed of in a sale open to the public for a period of not less than two years. The Office of the Sheriff does not maintain such a record for unclaimed inmate property that is not sold through the previously-mentioned internet auction.

Proceeds from sales of the unclaimed property must be deposited with the County Treasurer. This has not occurred.

Further, under both statutory provisions, proceeds from sales of the unclaimed property must be deposited with the County Treasurer. This has not occurred. Instead, the resulting sales were deposited as miscellaneous revenue within the Office of the Sheriff's account structure.

Table 5 shows revenue associated with unclaimed inmate property sold by the Milwaukee County Office of the Sheriff during the past three years. As the data show, revenue from this source is minimal, with less than $12,000 obtained during the three years.

Table 5
Summary of Revenue from Internet Sales of Unclaimed Inmate Property 2011–2013

Year	Revenue
2011	$5,753
2012	2,858
2013	3,250
Total	$11,861

Source: Advantage financial records

The Office of the Sheriff should strengthen its controls over unclaimed property to prevent loss of items prior to sale or disposal, and to detect such instances should they occur.

Once an inmate's property is deemed unclaimed, it is set apart from all other inmate property at a location outside the property manager's office. As time permits, the manager assesses the inventory items for possible resale or reuse. At this point the property loses its identity as to its previous owner. Computer records are updated with the status code 'DISP' to reflect that the property has been disposed, with no indication as to the final disposition (sold, reused, donated, or discarded).

While access is limited to a relatively small number of personnel, there are few controls to prevent or detect persons with access to the inmate property room from taking unclaimed inmate property.

While access is limited to a relatively small number of personnel, there are few controls to prevent or detect persons with access to the inmate property room from taking unclaimed inmate property, including items of value, once it has been deemed to be unclaimed and awaiting final disposition. Access to items of value becomes more limited after the manager moves all items of value from the property bags into a locked office. This is where the manager begins the process of segregating, categorizing, and preparing for shipment those items of value deemed appropriate for auction sale.

We toured this office and found boxes of cell phones, jewelry, and other items of value in various stages of preparation for final

disposition. There was no way to match a physical inventory to inmate records since the level of detail in the computer files does not provide for an ability to perform such a match.

Further complicating the ability to detect loss is the manner in which unused items are disposed. For items sent to the internet auction site for sale, the practice has been for that company to discard any unsold items. Wis. Stats. § 59.66(3), however, requires that unsold property shall be destroyed in the presence of the Sheriff. The Sheriff, or a designee, does not witness the disposal of the property that does not sell at auction, and receives no affidavit attesting to the fact that unsold items were destroyed, or the manner in which such items were disposed.

As previously mentioned, Wis. Stats. § 66.0139(2) requires retention of an inventory record of the items not sold at public auction for a period of at least two years. Disposal of property not sold at auction by the internet vendor leaves no such inventory record on hand with the Office of the Sheriff. There is a similar lack of controls for items that are not sent to auction and are simply discarded by the property manager.

Some degree of control could be maintained if each property item had been inventoried, and information concerning the date and manner of disposition were noted in the computer files.

Some degree of control could be maintained if each property item had been inventoried, and information concerning the date and manner of disposition were noted in the computer files. That would allow the Office of the Sheriff to track a group of items from the point they are determined to be unclaimed to the point at which they are disposed. Information on specific lots of unclaimed property could be traced to specific inmate records, which would better control the ability to identify loss should it occur.

The Office of the Sheriff's practice of reusing and donating unclaimed clothing is a logical way to handle unclaimed goods of little-to-no monetary value. However, there is no provision for this practice under Wis. Stats. § 59.66(3), and

an ordinance is required to make the practice compliant with Wis. Stats. § 66.0139(2).

The property room manager uses a portion of the inmate property room as a clothing distribution center for useable unclaimed inmate clothing.

The property room manager uses a portion of the inmate property room as a clothing distribution center for useable unclaimed inmate clothing. The clothing is cleaned and sorted by type of clothing, size and gender. On hand during our visit were men's and women's jackets, socks, pants, shirts and shoes of various sizes and types. One purpose is to have climate-appropriate clothing for use by released inmates that need them. For example, inmates arrested in July and released in January might not have a jacket or pants in their own inventory bag to protect them from winter weather. In such cases, clothing is provided free of charge.

Similarly, an inmate appearing in court may not have an appropriate shirt, pants or shoes for the appearance. In those cases, clothing is loaned to the inmate. According to the inmate property manager, clothing in excess of their needs is donated to the community. Clothing not fit for reuse or donation is discarded.

The use of unclaimed inmate clothing to provide for unmet clothing needs of other inmates is a logical and commendable practice by the Office of the Sheriff.

The use of unclaimed inmate clothing to provide for unmet clothing needs of other inmates is a logical and commendable practice by the Office of the Sheriff. Without an authorizing County ordinance, the practice does not appear to be in strict compliance with either of the two previously-identified statutory provisions that can arguably apply to unclaimed inmate property.

Recommendations

To strengthen controls over the inmate property room function and to ensure compliance with applicable Wisconsin State Statutes, we recommend that Office of the Sheriff management:

1. *With the assistance of the Office of Corporation Counsel, identify either Wis. Stats. § 59.66(3) or Wis. Stats. § 66.0139(2) as the applicable statute governing the*

disposal of unclaimed inmate property in Milwaukee County.

2. *Develop appropriate procedures and controls to adhere to the specific requirements of the statutory provision selected in recommendation #1 and update the inmate property unit's policies and procedures manual. Focus particular attention on a detailed inventory of inmates' items of value.*

3. *Distribute the updated policies and procedures manual from recommendation #2 to appropriate personnel and ensure staff awareness of its provisions.*

4. *Deposit all future proceeds from the sale of unclaimed inmate property with the County Treasure for deposit in the General Fund.*

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Exhibit 1

Audit Scope

The objectives of this audit were to:

- Identify primary functions and key operations associated with the Office of the Sheriff's Inmate Property Room;
- Assess the adequacy of internal controls and measure key operations against current policies and procedures and best practices; and
- Compare the inmate property workforce with that of other jurisdictions.

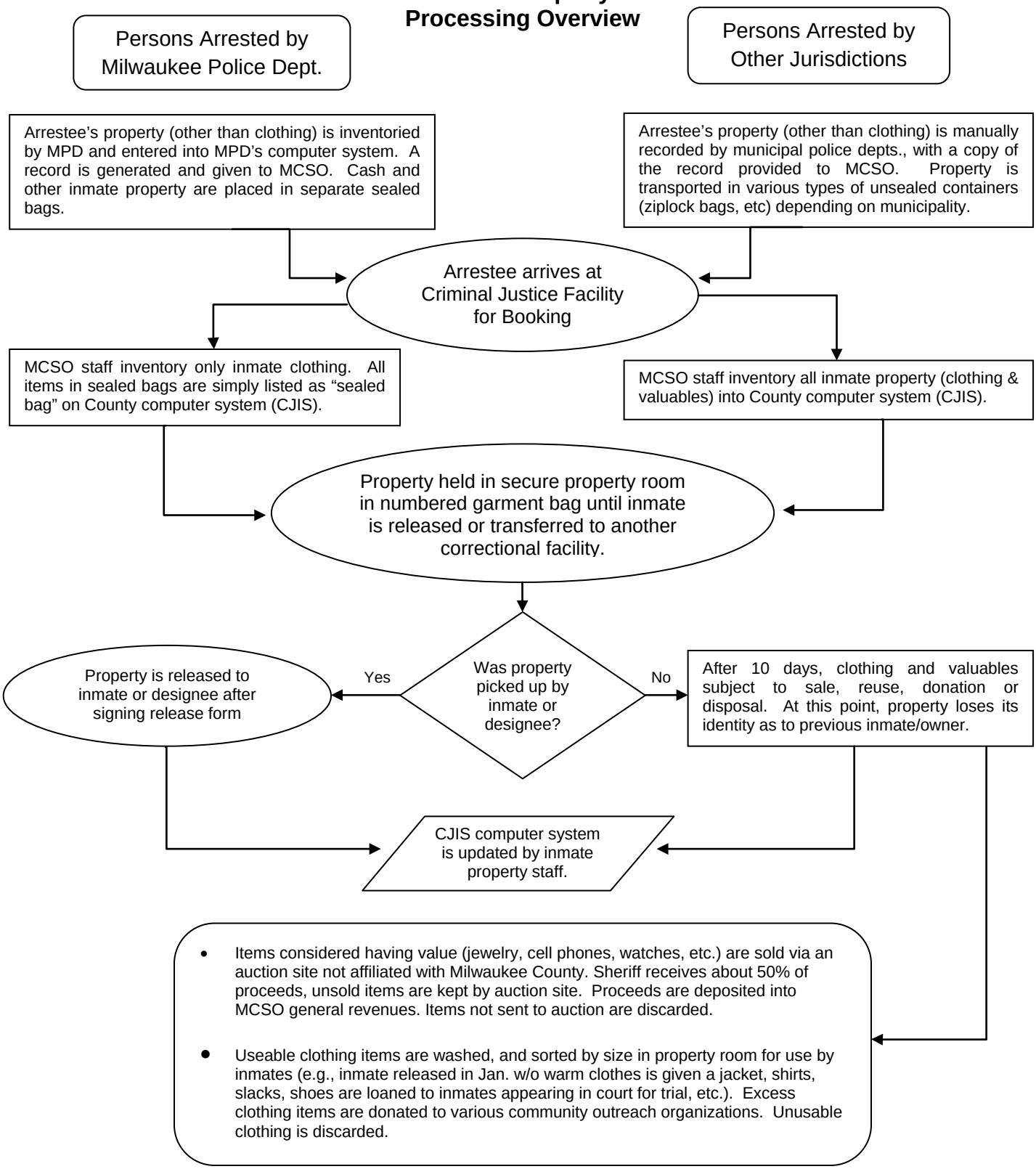
We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.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

We limited our review to the areas specified in this Scope Section. During the course of the audit, we:

- Flowcharted inmate property operations based on available policies and procedures, interviews with key staff and observations of the processes followed.
- Toured inmate property room operations at the Milwaukee County Criminal Justice Facility and the House of Correction.
- Reviewed controls over the disposition of inmate property.
- Contacted four Wisconsin counties for information concerning inmate property operations in their jails, including staffing levels, claims information, and procedures followed for disposing of unclaimed property.
- Reviewed Milwaukee County's Advantage financial data for revenues associated with sales of unclaimed inmate property.
- Reviewed payroll and fiscal data related to staff assigned to the inmate property function.
- Obtained and reviewed CJIS data concerning inmate property inventory for inmates released over the period January 1, 2012–April 15, 2014.
- Researched state statutes and County ordinances, and contacted applicable state agencies having oversight of jail operations for clarification of statutes related to unclaimed inmate property.

Exhibit 2

Inmate Property Processing Overview



Notes: MPD = Milwaukee Police Department
MCSO = Milwaukee County Sheriff's Office
CJIS = Criminal Justice Information System

Source: Audit Services Division based on interviews, record analysis and observations.

County of Milwaukee

Office of the Sheriff

David A. Clarke, Jr.
Sheriff

DATE: July 9, 2014

TO: Jerome J. Heer, Director of Audits

FROM: Edward H. Bailey, Inspector, Milwaukee County Office of the Sheriff

SUBJECT: Response to *The Office of the Sheriff Does a Good Job of Safeguarding Inmate Property; Controls for Disposal of Unclaimed Property Should be Strengthened* conducted by Milwaukee County Office of the Comptroller, Audit Services Division

The Office of the Sheriff has reviewed the *The Office of the Sheriff Does a Good Job of Safeguarding Inmate Property; Controls for Disposal of Unclaimed Property Should be Strengthened* document as prepared by the Milwaukee County Office of the Comptroller Audit Services Division.

This report sought, in scope, to "1) Identify primary functions and key operations associated with the Office of the Sheriff's Inmate Property Room; 2) Assess the adequacy of internal controls and measure key operations against current policies and procedures and best practices; and 3) Compare the inmate property workforce with that of other jurisdictions."

The Audit Team states their desire to "acknowledge the cooperation extended throughout the audit process by management and staff of the Office of the Sheriff." Similarly, we wish to state our thanks to the Audit Team for their willingness to conduct their examination in a manner that minimized the operational impact on this 24/7/365 post that resides within our Detention Services Bureau.

In 2013, the Milwaukee County Jail booked 34,541 arrestees, coming from not only all 19 municipal police agencies, but our own Milwaukee County Deputy Sheriffs, other regional state and local law enforcement agencies, and our federal partners. This number is historically consistent over the last decade, in a range during that time period that has seen highs of 42,617 in 2011, 46,527 in 2007, and has been above 50,000 in both 2006 and 2004. With this as a backdrop, we are confident in the Audit Team's finding that, "Based on the limited number of claims in relation to the volume of bookings, the Office of the Sheriff is doing a good job safeguarding inmate property…" as evidenced by a loss rate (through filed claims per booking) of 0.03% and a verified claim rate (that is, those resulting in payments for lost or damaged property) of 0.01%.

Of the four next most populous counties surveyed, the MCSO's incidence rate of 0.01% of inmate property claims paid in relation to total bookings was comparable to Brown, Waukesha, and Kenosha counties (.00%-.02%) and well below Dane county's rate of .07%.

Be that as it may, the Board should rest assured: The "acceptable" loss or damage rate to inmate property under the administration of Sheriff Clarke is, and will remain, 0.0%. Zero. We will, to our level best and with an eye towards constant improvement, be worthy stewards of the personal property of those entrusted to our safekeeping.

In relation to the query of inmate property workforce staffing, we are pleased, but not surprised, to see that the reviewed data indicates that "Milwaukee County's inmate property room function is staffed as, or more, efficiently than other Wisconsin counties surveyed" with the MCSO's staffing level at @ 0.2 FTE positions per 1,000 bookings being on par with Brown, Kenosha, and Waukesha counties and again well below Dane county's rate of 0.4 FTE.

In relation to the Audit Team's finding that controls for disposal of unclaimed property should be strengthened, particularly as it relates to updating and training on more specific written policies and procedures governing property room operations than the current 2008 guidelines, we concur.

On a related note, most vexing in the Audit findings is the confusion, and seeming contradiction, between various statutes governing the handling of unclaimed inmate items of value, not only at the MCSO but at all surveyed institutions. While we are not surprised that the Audit Team's survey of the aforementioned four other Wisconsin counties indicates none of those Sheriff's offices adhere to or necessarily recognize the one-year period prior to disposal of unclaimed inmate clothing seemingly dictated by Wis. Stat. § 59.66(3), we did note that some other Offices adhere to a separate provision of the statutes, Wis. Stats. § 66.0139(2), that they believe allows for the disposal of personal property which has been abandoned or unclaimed for a period of 30 days. Most notably, as it relates to the longstanding practice (noted by the Audit Team as existing since at least the opening of the "new" county Jail more than 20 years ago) of giving those inmates shipped to state penal institutions ten (10) days to have their property picked up, this standard appears to have developed as an effort to cooperatively avoid an attempt to mandate that Dodge Correctional receive all such property.

Finally, the Audit Team notes that the MCSO should strengthen controls over unclaimed property once a final decision has been made regarding ultimate sale or disposal, most pointedly as it relates to notations captured in our C/CJIS database. We concur.

We note our responses to recommendations by the Audit Services Division below:

Response to the Division of Audit Services of *Milwaukee County Office of the Comptroller review of the Office of the Sheriff's Safeguarding of Inmate Property and Controls for Disposal of Unclaimed Property*

Recommendation # 1 – With the assistance of the Office of Corporation Counsel, identify either Wis. Stats. § 59.66(3) or Wis. Stats. § 66.0139(2) as the applicable statute governing the disposal of unclaimed inmate property in Milwaukee County.

On June 20, 2014 a written request was made to Corporation Counsel requesting their assistance in determining the applicable State Statute governing the disposal of unclaimed inmate property. The Office of the Sheriff will comply with the findings of Corporation Counsel.

Recommendation # 2 – Develop appropriate procedures and controls to adhere to the specific requirements of the statutory provision selected in recommendation # 1 and update the inmate property unit's policies and procedures manual. Focus particular attention on a detailed inventory of inmates' items of value.

The Office of the Sheriff will comply with the determination of Corporation Counsel as to the applicable State Statute as requested in Recommendation # 1 and accordingly update the inmate property unit's policies and procedures manual. Particular emphasis will include a detailed inventory of inmates' items of value.

Recommendation # 3 – Distribute the updated policies and procedures manual from recommendation # 2 to appropriate personnel and ensure staff awareness of its provisions.

The Office of the Sheriff will comply with distributing the updated policies and procedures manual and train the appropriate personnel and staff with its provisions to maintain compliance with the applicable State Statute.

Recommendation # 4 – Deposit all future proceeds from the sale of unclaimed inmate property with the County Treasurer for deposit in the General Fund.

The Office of the Sheriff will comply and deposit all future proceeds from the sale of unclaimed inmate property in the Milwaukee County Treasurer General Fund.

Responsible for Implementation

The Deputy Inspector of the Detention Services Bureau will be responsible for the implementation of these corrective actions. He will rely upon the full-time Administrative Assistant (Property Manager) who is responsible for managing the Store Clerk 1 (Sheriff) positions for the actual daily application of these measures.

S:// Edward H. Bailey, I7
Edward H. Bailey, Inspector
Milwaukee County Office of the Sheriff