Milwaukee County Office of the Sheriff's Federal Asset Forfeiture Fund Expenditures Comply with Program Criteria but Improvement Needed in Reporting Accuracy, Compliance with County Procurement Procedures

September 2012

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September 28, 2012

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

We have completed an audit of the Milwaukee County Office of the Sheriff's use of Federal Asset Forfeiture Program funds (Forfeiture Funds).

The attached audit report notes that U.S. Department of Justice (DOJ) regulations clearly give the local law enforcement agency head considerable discretion, within specified guidelines, in spending Forfeiture Funds. We did not identify any expenditures within the review period of January 1, 2008 through May 7, 2012 that we considered impermissible under the program criteria. The report also identifies a need for improved accuracy in annual reports submitted to DOJ and with following local procurement procedures.

The report provides recommendations to address specific issues noted during the audit.

A response from both the Office of the Sheriff is included as **Exhibits 3.** We appreciate the cooperation extended by Office of the Sheriff management and staff 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, Milwaukee County Comptroller
David Clarke, Jr., Milwaukee County Sheriff
Milwaukee County Board of Supervisors
Chris Abele, Milwaukee County Executive
Patrick Farley, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board Staff
Craig Kammholz, Fiscal & Budget Administrator, DAS
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Summary

The U.S. Department of Justice (DOJ) Asset Forfeiture Program is a nationwide law enforcement initiative designed to recover property that may be used to compensate victims, and deter crime. One of the most important provisions of asset forfeiture is the authorization to share federal forfeiture proceeds with cooperating state and local law enforcement agencies. This is accomplished through the DOJ's Equitable Sharing Program, which establishes guidelines and requirements to which state and local law enforcement agencies must adhere as a condition of receiving shared funds (Forfeiture Funds).

Milwaukee County Office of the Sheriff's federal Asset Forfeiture Program expenditures from January 1, 2008 through May 7, 2012 fell within permissible program criteria.

Clear and specific criteria for appropriate use of federal Asset Forfeiture Program funds (Forfeiture Funds) are contained in the U.S. Department of Justice publication, Guide to Equitable Sharing for State and Local Law Enforcement Agencies (April 2009). We examined supporting documentation for each Forfeiture Fund expenditure during the period January 1, 2008 through May 7, 2012. We applied our judgment in concluding whether or not the expenditures fell within Department of Justice guidelines for permissible use of Forfeiture Funds. We did not identify any expenditures within the review period that we considered impermissible under the program criteria. Following is a summary of the expenditures categorized by qualifying DOJ program criteria.

Equipment	$450,530	54.5%
Training	$144,586	17.5%
Community-based Programs	$115,065	13.9%
Travel Costs	$77,307	9.4%
Facilities	$30,485	3.7%
Awards & Memorials	$7,557	0.9%
Other	$1,047	0.1%
Total	**$826,577**	**100.0%**

A complete listing of the $826,577 in Milwaukee County Office of the Sheriff Forfeiture Fund expenditures during the review period is presented as **Exhibit 2**.

Permissible Uses

The overarching policy requirement for appropriate use of federal Asset Forfeiture Program funds is that shared monies and property obtained from the program are to be used for law enforcement purposes. **Section 1** of this audit report provides excerpts from the Department of Justice guide describing the qualifying criteria for each Forfeiture Fund expenditure category used by the Milwaukee County Office of the Sheriff during the period reviewed. After each category description, we provide several examples of actual transactions and the purposes for which they were made according to supporting documentation and interviews with Office of the Sheriff management.

The Office of the Sheriff can improve program compliance in some areas

In addition to the overarching principle that federal Asset Forfeiture Program funds shall be used for law enforcement purposes only, there are several other noteworthy program requirements contained in the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* publication (the *Guide*).

Applicability of Local Ordinances

For instance, the *Guide* states:

> *Subject to laws, rules, regulations, and orders of the state or local jurisdiction governing the use of public funds available for law enforcement purposes, the expenses noted below are pre-approved as permissible uses of shared funds and property.* [Emphasis added.]

While the Office of the Sheriff follows the County's rules and regulations related to travel charged to the Forfeiture Fund, it does not adhere to applicable County procurement ordinances. Office of the Sheriff management stated that it operated under the belief that purchases did not have to be made through the Procurement Division because such rules and regulations only pertained to County funds. Since Forfeiture Funds are not County funds, there was a presumption that County rules and regulations were optional.

We discussed this issue in depth with top management of the DOJ section responsible for administering its asset forfeiture program nationally. He stated unequivocally that law enforcement agencies receiving Forfeiture Funds are bound by the rules and regulations of their governing jurisdictions. Specifically, the Office of the Sheriff is required to follow procurement, travel and all other applicable County requirements when spending Forfeiture Funds.

Office of the Sheriff management pointed out that no previous Milwaukee County Sheriffs have followed Milwaukee County procurement procedures for Forfeiture Fund expenditures. Office of the

Sheriff management has indicated it is seeking clarification, in writing, from the Department of Justice regarding the applicability of local ordinances to Forfeiture Fund expenditures.

Community-Based Programs

DOJ's *Guide to Equitable Sharing for State and Local Law Enforcement Agencies (April 2009)* details extensive criteria that must be met for determining a community-based program's eligibility to receive Forfeiture Fund benefits.

For instance, the chief law enforcement officer is required to explain in writing why the applicant's receipt of Forfeiture Fund benefits for the particular activity or use is supportive of and consistent with a law enforcement effort, policy, and/or initiative within the guidelines to support community-based programs. We found internal memos or other similar documentation written by Office of the Sheriff management describing the reasons for making the payment and the associated law enforcement benefit for all seven organizations for which we reviewed documentation.

However, the chief law enforcement officer is also responsible for determining whether an organization receiving program benefits, or its principals (e.g., officer, director, trustee or fiduciary) currently is the subject of federal, state or local criminal investigation. We found no evidence of this compliance requirement being performed by the Office of the Sheriff.

In addition, there are eight specific certifications that must be made, in writing, by the head of each community-based organization receiving Forfeiture Fund benefits. For most of the $82,378 in payments that directly benefited individual organizations, we found references to an organization's non-profit status in the documentation provided. However, we found no written certifications addressing the other seven compliance requirements necessary for community-based organizations.

<u>Maximum Allowable Annual Payments in Support of Community-Based Programs</u>

Law enforcement agencies may use up to 15% of the total of shared monies received by that agency in the last two fiscal years for the costs associated with non-profit community-based programs or activities that are formally approved by the chief law enforcement officer (i.e., Sheriff). All expenditures must be supportive of and consistent with a law enforcement effort, policy, and/or initiative. The Office of the Sheriff does not have a system in place for categorizing its Forfeiture Fund payments so as to determine compliance with the 15% requirement. We determined that the Office of the Sheriff spent a total of $24,514 more than the maximum allowable for community-based programs for the years 2009 and 2011.

Annual Equitable Sharing Agreement and Certification

Law Enforcement agencies are required to submit annual Equitable Sharing Agreement and Certification reports to DOJ detailing the Forfeiture Fund activity within 60 days of the end of the fiscal year. We compared the ending balance of the Forfeiture Fund bank account as of December 31, 2011 with the ending balance reported by the Office of the Sheriff's 2011 annual Equitable Sharing Agreement and Certification report. After taking into account outstanding revenues and expenses, we determined that the fund's year-end balance for 2011 reported to DOJ was understated by $11,490. The understatement was a combination of multiple and sometimes offsetting errors. Errors included both mathematical miscalculations and inaccurate recording of data. It is apparent that the Office of the Sheriff has not been reconciling its annual statements to the Forfeiture Fund balance as a control to help ensure reported amounts are accurate.

Documentation for Travel Expenditures

We also identified some problems related to documentation of travel costs charged to the Forfeiture Fund. We asked for the supporting documentation, including travel expense reports and related invoices, for each of the annual payments made from the Forfeiture Fund. However, Office of the Sheriff fiscal staff was unable to isolate the specific travel reports used to document some of the checks issued from the Forfeiture Fund. Office of the Sheriff fiscal staff attempted to identify appropriate travel cost items to document support for the check amounts in question, but differences were noted for two of the three years within the review period.

Recommendations are included to address each of the issues identified during the audit. A management response from the Office of the Sheriff is included as **Exhibit 3**. We wish to acknowledge the cooperation of the Office of the Sheriff management and staff during the course of this audit.

Background

The U.S. Department of Justice (DOJ) Asset Forfeiture Program is a nationwide law enforcement initiative designed to remove the tools of crime from criminal organizations, deprive wrongdoers of the proceeds of their crimes, recover property that may be used to compensate victims, and deter crime. According to DOJ, asset forfeiture has been used to attack the financial infrastructure of criminal enterprises and return funds to victims of large-scale fraud.

One of the most important provisions of asset forfeiture is the authorization to share federal forfeiture proceeds with cooperating state and local law enforcement agencies. This is accomplished through the department's Equitable Sharing Program, which establishes guidelines and requirements to which state and local law enforcement agencies must adhere as a condition of receiving shared funds (Forfeiture Funds). According to DOJ reports to Congress, more than $6 billion in forfeited assets have been shared with state and local law enforcement agencies since passage of the enabling Comprehensive Crime Control Act of 1984.

Typically, law enforcement agencies participating in the Equitable Sharing Program include cities, districts, local, county or state police; sheriff or highway patrol departments; and state or local prosecutors' offices. Determinations of agency eligibility are solely within the discretion of the DOJ, Criminal Division. DOJ requires shared monies and property to be used for law enforcement purposes. Sharing will be withheld from any state or local law enforcement agency where state or local law, regulation, or policy requires federal Equitable Sharing funds to be transferred to non-law enforcement agencies or expended for non-law enforcement purposes.

The Milwaukee County Office of the Sheriff (Office of the Sheriff) receives the vast majority of its Forfeiture Funds from DOJ. **Table 1** summarizes Forfeiture Fund revenues and expenditures of the Office of the Sheriff since 2008.

Table 1
Asset Forfeiture Program
Summary of Milwaukee County Revenues and Expenditures
2008—2012

	2008	2009	2010	2011	2012[1]	Totals
Beginning Balance						
Revenues	**$641,333**					
DOJ Equitable Sharing	$44,978	$111,750	$46,235	$80,095	$8,081	$291,139
Other Income	-0-	$6,400	$32,175	-0-	-0-	$38,575
Interest Income	$13,214	$9,294	$5,737	$1,894	$377	$30,516
Total Revenues	**$58,192**	**$127,444**	**$84,147**	**$81,989**	**$8,458**	**$360,230**
Total Expenditures	**$152,601**	**$107,491**	**$278,509**	**$257,780**	**$30,131**	**$826,512**
Reporting Discrepancies						$11,490[2]
Balance as of 5/07/2012					**$186,541**	

Note[1]: Revenues and expenditures through May 7, 2012.
Note [2]: Figures in Table 1 reflect various reporting discrepancies totaling a net $11,490 as of year-end 2011. As a result, minor differences appear between some of these reported figures and those cited in other areas of this report. These discrepancies are addressed on p. 28 of this report.

Source: Annual Certification Reports submitted by the Office of the Sheriff to DOJ.

There are a number of requirements that encompass all facets of the program, including how assets are seized, how they are liquidated and how the proceeds are distributed. Our review focused on how the Milwaukee County Office of the Sheriff administered the funds once they were received by the County.

Section 1: Milwaukee County Office of the Sheriff's Federal Asset Forfeiture Program expenditures from January 1, 2008 through May 7, 2012 fell within permissible program criteria.

DOJ regulations clearly give the local law enforcement agency head considerable discretion, within specified guidelines, in spending Forfeiture Funds.

County Board Resolution 12-129 directed the Department of Audit (subsequently re-organized as the Audit Services Division of the Office of the Comptroller) to review whether Federal Forfeiture revenues are being put to the highest and best use. Clear and specific criteria for appropriate use of federal Asset Forfeiture Program funds (Forfeiture Funds) are contained in the U.S. Department of Justice publication, *Guide to Equitable Sharing for State and Local Law Enforcement Agencies (April 2009).* Those regulations clearly give the local law enforcement agency head considerable discretion, within specified guidelines, in spending Forfeiture Funds. Consequently, we did not substitute our judgment for that of the Milwaukee County Sheriff. Rather, we examined supporting documentation for each expenditure and applied our judgment in concluding whether or not the expenditures fell within Department of Justice guidelines for permissible use of Forfeiture Funds.

Using that approach, we categorized each of the Milwaukee County Office of the Sheriff's Forfeiture Fund expenditures from January 1, 2008 through May 7, 2012 into the appropriate qualifying criteria. We did not identify any expenditures within the review period that we considered impermissible under the program criteria. A complete listing of all expenditures, totaling $826,577 during the review period, is presented as **Exhibit 2**.

A summary of total expenditures by category during the period is shown in **Table 2**.

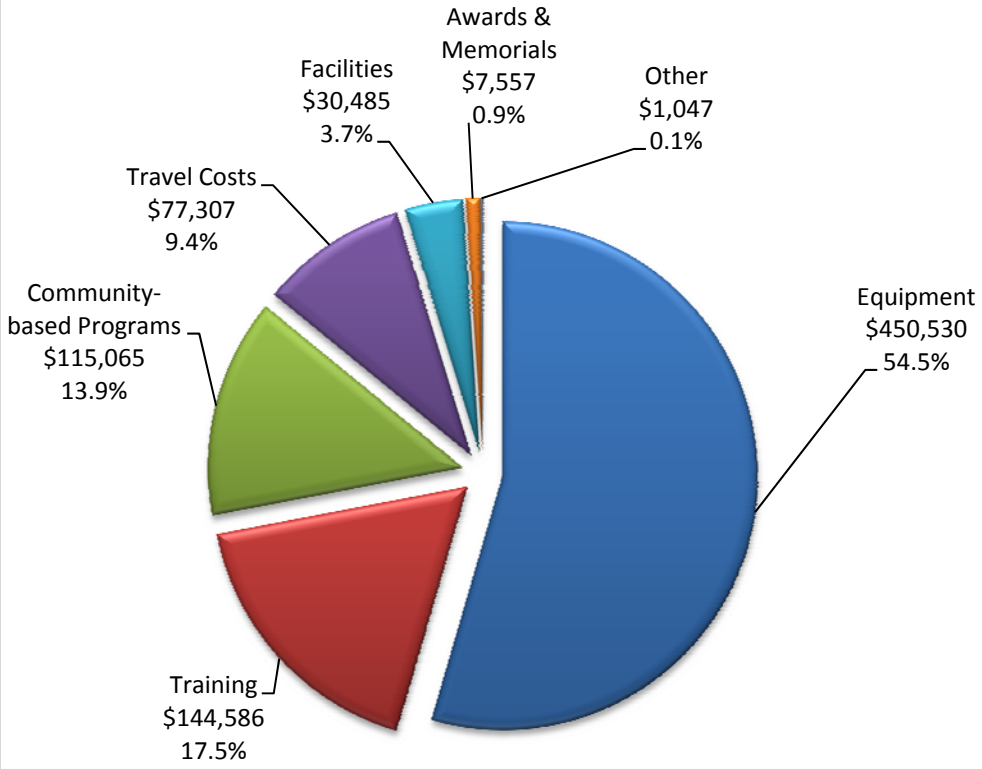
Table 2
Milwaukee County Office of the Sheriff
Federal Asset Forfeiture Fund Expenditures by Category
January 1, 2008–May 7, 2012

Summary by Category	Amount	% of Total
Equipment	$450,530	54.5%
Training	$144,586	17.5%
Community-based Programs	$115,065	13.9%
Travel Costs	$77,307	9.4%
Facilities	$30,485	3.7%
Awards & Memorials	$7,557	0.9%
Other	$1,047	0.1%
Total	**$826,577**	**100.0%**

Source: Equitable Sharing Annual Certifications Reports; Audit Services Division categorizations based on U.S. Dept. of Justice program criteria.

This same information is presented graphically in **Figure 1**.

Figure 1
Milwaukee County Office of the Sheriff
Federal Forfeiture Fund Expenditures by Category
January 1, 2008 - May 7, 2012



Source: Equitable Sharing Annual Certifications Reports; Audit Services Division categorizations based on U.S. Dept. of Justice program criteria.

The overarching policy requirement for use of federal Asset Forfeiture Program funds is that shared monies and property obtained from the program are to be used for law enforcement purposes.

Permissible Uses

The overarching policy requirement for appropriate use of federal Asset Forfeiture Program funds is that shared monies and property obtained from the program are to be used for law enforcement purposes. Following are excerpts from the Department of Justice guide describing the qualifying criteria for each Forfeiture Fund expenditure category used by the Milwaukee County Office of the Sheriff during the period reviewed. After each category description, we provide several examples of actual transactions during the period January 2008 through May 7, 2012.

Law Enforcement Equipment

The costs associated with the purchase, lease, maintenance, or operation of law enforcement equipment for use by law enforcement personnel that supports law enforcement activities. For example, furniture, file cabinets, office supplies, telecommunications equipment, copiers, safes, fitness equipment, computers, computer accessories and software, body armor, uniforms, firearms, radios, cellular telephones, electronic surveillance equipment, and vehicles (e.g., patrol cars and surveillance vehicles).

Total Office of the Sheriff law enforcement equipment expenditures = $450,530 (54.5%)
Average transaction = $5,363

- August 2008—a 2008 Dodge Ram pickup truck was purchased from Ewald Chrysler/Jeep/Dodge for $42,986. The truck is used by the Mounted Unit for transporting horses (primarily rented horses; one horse was donated to the unit) to event locations. Documentation shows the purchase price was lower than three comparable vehicles for sale in the Milwaukee area.

- November 2009—300 officer uniforms—shirts and trousers—were purchased from Superior Uniform for $27,732. The full cost of the uniforms was subsequently reimbursed to the Forfeiture Fund from the individual officers that purchased the items. There are no program criteria authorizing use of the Forfeiture Fund as a revolving loan fund. Therefore, we question the appropriateness of using the Forfeiture Fund as a method for the temporary advancement of funds. Since the straightforward acquisition of uniforms is an allowable expenditure under the Equitable Sharing Program, there is no substantive violation in this particular instance. However, according to DOJ management responsible for Forfeiture Fund program oversight, this particular transaction could indicate a circumventing of usual procurement procedures, and as a general rule should not occur.

  We question the appropriateness of using the Forfeiture Fund as a method for the temporary advancement of funds.

  We also noted that the Office of the Sheriff paid the vendor $2,353 more than the invoices totaled. It is unclear how this occurred. However, the supporting documentation for this expenditure noted this discrepancy, along with the need to offset a future payment to the vendor. According to Office of the Sheriff fiscal staff, the credit due from this vendor has not yet been received.

- September 2010—27 Smith & Wesson Model M&P 15X Special semi-automatic rifles and 200 Magpul EMAGS (Export Magazines) were purchased from Streicher's for $24,520. The weapons and ammunition were for use by Expressway Patrol vehicles.

- October 2010—a two-horse trailer was purchased from Gold Medal Trailer Sales for $19,570. The trailer is used for equine transport by the Office of the Sheriff Mounted Unit.

- September 2008—Two personal watercraft, a trailer, wetsuits and accessories were purchased for $18,140 from Sportland 2, Inc. Documentation indicates that, prior to the purchase, five officers received specialized training on law enforcement deployment from the Wisconsin Department of Natural Resources.

- April 2008—Two Segway two-wheeled electric transport vehicles were purchased from Segway of Milwaukee for $14,500. The Segways were purchased for use by the Office of the Sheriff Airport Patrol Unit as well as for possible Parks and Tactical Enforcement Unit deployment.

The primary purpose for acquiring a metal detector was to screen employees for weapons, cell phones, recording devices, etc. prior to meeting with the Sheriff for disciplinary reasons.

- October 2010—Two high performance metal detectors were purchased from SecurMAR LLC for $12,340. According to documentation supporting the purchase, the primary purpose for acquiring a metal detector was to screen employees for weapons, cell phones, recording devices, etc. prior to meeting with the Sheriff for disciplinary reasons. The second metal detector provides flexibility for conducting such meetings at a different location.

- October 2011—Physical fitness workout equipment totaling $11,740 was purchased from Magnum Fitness System. Supporting documentation indicates the two treadmills, elliptical machine, stationary bicycle and floor tiles were purchased for use by personnel assigned to the Office of the Sheriff as part of a 2012 Fitness Initiative.

- January 2011—a 2006 Harley Davidson police motorcycle was purchased from the House of Harley Davidson for $7,839 for use by the Patrol Division.

We recommend that the Milwaukee County Office of the Sheriff:

1. *Prohibit use of the Forfeiture Fund to 'front' or 'advance' monies for non-Forfeiture Fund expenditures such as uniforms ultimately purchased by Deputy Sheriffs.*

2. *Recoup $2,353 paid in error to Superior Uniform.*

Law Enforcement Training

The training of officers, investigators, prosecutors, and law enforcement support personnel in any area that is necessary to perform official law enforcement duties.

Total Office of the Sheriff law enforcement training expenditures = $144,586 (17.5%)
Average transaction = $2,728

- April 2011—A total of $28,000 was paid to Southern Police Canine, Inc. for six weeks of training on location in North Carolina for two canine handlers in canine patrol/narcotics detection.

Training for more than 50 participants, conducted on location at the Correctional Center—South, was on Disney's Approach to Business Excellence.

- January 2011—Training for more than 50 participants, conducted on location at the Correctional Center—South, at a cost of $24,900 paid to Disney Destinations, LLC. The training was on Disney's Approach to Business Excellence.

- June 2009—Tuition of $11,200 for one staff member to attend training at Harvard University's John F. Kennedy School of Government. The three-week training course was entitled, "Senior Executives in State and Local Government." Related travel costs charged to the Forfeiture Fund totaled $486.

- April 2011—Tuition of $11,200 for one staff member to attend training at Harvard University's John F. Kennedy School of Government. The three-week training course was entitled, "Senior Executives in State and Local Government." Related travel costs totaled $653.

- December 2011—Tuition of $6,600 for one staff member to attend training at Harvard University's John F. Kennedy School of Government. The one-week training course was entitled, "Mastering Negotiation: Building Agreements Across Boundaries." Related travel costs totaled $496.

- April 2012—$1,974 was paid to Underwater Connection for Office of the Sheriff's Dive Team training.

- January 2010--$820 in registration fees were paid to Oakland California Police Department Training for one enrollment in a Tactical Science course in Oakland. Related travel costs charged to the Forfeiture Fund totaled $1,082.

Support of Community-Based Programs

A state or local law enforcement agency or prosecutor's office may use up to 15 percent of the total of shared monies received by that agency in the last two fiscal years for the costs associated with drug abuse treatment, drug and crime prevention education, housing and job skills programs, or other nonprofit community-based programs or activities that are formally approved by the chief law enforcement officer (e.g., chief, sheriff, prosecutor). All expenditures must be supportive of and consistent with a law enforcement effort, policy, and/or initiative.

It is important to note that cash transfers to community-based programs are not permitted. State and local law enforcement agencies are prohibited from making cash transfers or donations to support community-based programs. However, agencies may directly purchase supplies, equipment, and/or services for eligible community-based programs, or reimburse such programs for eligible expenditures with a valid, itemized receipt.

Total Office of the Sheriff community-based program expenditures = $115,065 (13.9%)
Average transaction = $2,501

MADACC provides support to the Office of the Sheriff and other local law enforcement officials by taking custody of animals at the scenes of crimes, arrests, evictions, etc. when necessary.

- February 2011—A $10,000 donation was provided to the Friends of Milwaukee Area Domestic Animal Control Commission (MADACC). The donation was to defray a portion of the cost for construction of 16 kennels at the facility. Documentation indicates that MADACC provides support to the Office of the Sheriff and other local law enforcement officials by taking custody of animals at the scenes of crimes, arrests, evictions, etc. when necessary.

- January 2011—Ten laptop computers were purchased from Consistent Computer Bargains at a cost of $9,988. The computers were purchased for the S.T.O.R.M. (Strong Teen Outreach) Center at the Sherman Park Lutheran Church and School.

- September 2008—A donation of $5,400 to Marquette University to pay for tuition for four in the Future Milwaukee Program. Marquette University describes Future Milwaukee as a community leadership program dedicated to develop leaders who will give back to their communities, both professionally and personally, and make lasting, positive contributions. According to the program's web site, Future Milwaukee graduates represent every facet of community diversity which includes ethnic, gender and age diversity.

- May 2011—Donations of $5,000 each (total of $10,000) to two Hope Christian Schools to defray costs for math and reading laboratories. According to Hope Christian Schools, which stands for Hold Onto the Promises Everywhere, the

laboratories are focused especially on at-risk youth. The organization states that its schools are intentionally located in Milwaukee's toughest neighborhoods because they believe that all children deserve a high-quality college preparatory education.

Additional comments regarding adherence to Equitable Sharing Program requirements pertaining to community-based programming expenditures are presented in **Section 2** of this report.

Law Enforcement Travel and Transportation

The costs associated with travel and transportation to perform or in support of law enforcement duties and activities. All related costs must be in accordance with the agency's state per diem and must not create the appearance of extravagance or impropriety.

Total Office of the Sheriff travel and transportation expenditures = $77,307 (9.4%)
Average transaction = $7,028

This protocol documents compliance with County travel authorization and reimbursement procedures, in accordance with Equitable Sharing program requirements.

Travel and transportation expenditures from the Office of the Sheriff Forfeiture Fund are typically transacted in batch form. That is, travel for various purposes throughout the year is authorized and paid through the County's standard protocols (i.e., use of a credit card-type Travel Card or reimbursement of documented employee outlays through a travel expense form), Expenses meeting the appropriate DOJ Equitable Sharing guidelines are identified and totaled, and the proper general fund account is reimbursed with a single check from the Forfeiture Fund. This protocol documents compliance with County travel authorization and reimbursement procedures, in accordance with Equitable Sharing program requirements.

- July 2010—A check for $26,645 was issued to the Milwaukee County Treasurer for travel expenses incurred in 2009. Training associated with these travel costs included two staff attending a six-week bomb technician basic course in Huntsville, AL ($7,942), and six staff traveling to California to observe the practices of various units of the Los Angeles Police Department ($5,701).
- December 2008—A check for $17,120 was issued to the Milwaukee County Treasurer for travel expenses incurred in 2007. Costs included with this payment included travel and

tuition costs ($1,781 and $13,400, respectively) for three management staff to attend Harvard University classes. The courses included "Driving Government Performance: Leadership Strategies that Produce Results," "Leadership for the 21st Century" and "The Leadership for a Networked World Program Cross-Boundary Transformation."

- December 2008—A separate check for $10,314 was issued to the Milwaukee County Treasurer for travel expenses incurred in 2008. Expense items included $6,469 for travel and tuition for a six-day training course "Leadership in Crisis" at Harvard University, and $1,870 for conference fees for four top managers attending the FBI national convention held in Milwaukee.

- April 2011—A $1,000 travel advance was provided to the Sheriff for travel expenses related to Homeland Security training provided to several police chiefs and county sheriffs from major U.S. cities. Essentially all of the trip expenses were paid from a grant and the Sheriff repaid the advance to the Forfeiture Fund within two weeks of his return.

Additional Observations Regarding Travel

Before each trip, management approves the travel and indicates on the approval form if the travel is to be paid through the Forfeiture Fund or Office of the Sheriff operating accounts. We asked for the supporting documentation, including travel expense reports and related invoices, for each of the annual payments made from the Forfeiture Fund. However, Office of the Sheriff fiscal staff was unable to isolate the specific travel reports used to document some of the checks issued from the Forfeiture Fund. Office of the Sheriff fiscal staff attempted to identify appropriate travel cost items to document support for the check amounts in question, but differences were noted for two of the three years within the review period.

Table 3 shows each of the annual payments for travel expenses that were made during our review period, along with the extent to which documentation for the expenditures was lacking.

Table 3
Documentation Supporting Travel Expenses
Charged to the Forfeiture Fund
January 2008–May 7, 2012

Year Expense Was:		- - - - - - - - - Amount - - - - - - - - -		
Incurred	Paid	Charged	Supported	Difference
2005-06	2008	$12,752	$12,298	$454
2007	2008	$17,120	$16,310	$810
2008	2008	$10,314	$10,314	- 0 -
2009	2010	$26,645	$17,610	$9,035
2010	2011	$6,954	$6,954	- 0 -
	Totals	**$73,785**	**$63,486**	**$10,299**

Notes: There were no 2012 travel charges paid in our review period.

Source: Forfeiture Fund files and related travel expense reports

As **Table 3** shows, travel expenses incurred as far back as 2005 were paid during the review period. Fiscal staff provided documentation to show that the travel costs for 2005–-2006 had been accrued in those prior years, but that payment for the costs had been delayed until 2008 for unspecified reasons.

These differences highlight the need for better documentation of supporting annual travel costs charged to the Forfeiture Fund. According to Office of the fiscal staff, changes are being implemented that will better organize travel costs and ensure proper support for future payments from the Forfeiture Fund. We concur with these efforts, and recommend that the Office of the Sheriff:

3. *Implement a system whereby travel costs charged to the Forfeiture Fund can be clearly identified and properly supported.*

Some of the examples in this report indicate the need for the Office of the Sheriff to process travel reimbursement transactions from the Forfeiture Fund in a more timely manner.

Further, some of the examples in this report indicate the need for the Office of the Sheriff to process travel reimbursement transactions from the Forfeiture Fund in a more timely manner. For instance, although a proper accrual was made to the

County's financial statements to reflect the fact that outside revenue was due, the December 2008 reimbursement to the County for transactions occurring up to nearly three years earlier raises concerns that no control was in place to ensure that Forfeiture Funds would, in fact, be transferred to reverse the accrual. The timing of the reimbursement also distorts the accounting of the Forfeiture Fund, because the money owed to the County for the prior years' travel expenses were not reflected in annual Certifications of Forfeiture Fund account balances reported to the U.S. Department of Justice.

To maintain proper accounting of County Forfeiture Funds, we recommend the Milwaukee County Office of the Sheriff:

4. *Process all batch travel reimbursement transactions from the federal Forfeiture Fund on a timely basis.*

Law Enforcement and Detention Facilities
The costs associated with the purchase, lease, construction, expansion, improvement, or operation of law enforcement or detention facilities used or managed by the recipient agency. For example, the costs of leasing, operating, and furnishing an off-site undercover narcotics facility is a permissible use of shared funds.

Total Office of the Sheriff facilities expenditures = $30,485 (3.7%)
Lone transaction = $30,485

- October 2010—The lone facilities expenditure from the Forfeiture Fund was a $30,385 payment to Suburban Asphalt Co., Inc. for the purchase and installation of a 1/8 mile running track at the County Correctional Facility—South. According to supporting documentation, the running track was intended for use in the D.O.T.S. (Discipline, Order, Training and Structure) program. The mission of the program, for which funding was eliminated in the 2012 Adopted Budget, was to instill discipline, order, training and structure in the lives of incarcerated individuals through education, physical activity and disciplined training.

Law Enforcement Awards and Memorials

The cost of award plaques and certificates for law enforcement personnel, provided that the plaque or certificate is in recognition of a law enforcement achievement, activity, or the completion of law enforcement training, and the cost does not create the appearance of extravagance or impropriety. Shared funds may not be used to pay cash awards. Shared funds may be used to pay the costs for modest commemorative plaques, displays, or memorials that serve to recognize or memorialize a law enforcement officer's contributions, such as a memorial plaque or stone at a police department facility in honor of officers killed in the line of duty.

Total Milwaukee County Office of the Sheriff awards and memorials
expenditures = $7,557 (0.9%)
Average transaction = $2,519

- April 2008 ($435) and October 2011 ($4,599 and $2,523)—All three transactions were purchases from Symbol Arts. Items purchased included 200 Service Excellence Pins, 288 Expect the Best Mugs, 300 Challenge Coins, an additional 100 Service Excellence Pins and 100 Operating While Intoxicated Enforcement Pins.

Other Expenditures

One expenditure was mistakenly run through the federal Forfeiture Fund account.

We noted one additional expenditure that was mistakenly run through the federal Forfeiture Fund account and included in the annual certification report submitted to DOJ. According to fiscal staff, a deposit for $1,047 in 2011 should have been made to a different trust account. Once the mistake was identified, a check was written to correct the error.

Section 2: The Office of the Sheriff can improve program compliance in some areas.

In addition to the overarching principle that federal Asset Forfeiture Program funds shall be used for law enforcement purposes only, there are several other noteworthy program requirements contained in the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies* publication (the *Guide*).

Applicability of Local Ordinances

For instance, the *Guide* states:

> *Subject to laws, rules, regulations, and orders of the state or local jurisdiction governing the use of public funds available for law enforcement purposes, the expenses noted below are pre-approved as permissible uses of shared funds and property.* [Emphasis added.]

Law enforcement agencies receiving Forfeiture Funds are bound by the rules and regulations of their governing jurisdictions.

We discussed this issue in depth with top management of the DOJ section responsible for administering its asset forfeiture program nationally. He stated unequivocally that law enforcement agencies receiving Forfeiture Funds are bound by the rules and regulations of their governing jurisdictions. Specifically, the Office of the Sheriff is required to follow procurement, travel and all other applicable County requirements when spending Forfeiture Funds. The only exception is when a jurisdiction has rules and regulations that conflict with federal law. In such cases, federal law takes precedence.

We confirmed with the Procurement Administrator that the Office of the Sheriff is not following standard procurement procedures when purchasing items with Forfeiture Fund revenues. For instance, requisitions are not made to the Procurement Division for goods costing more than $2,000.

Available documentation maintained by the Office of the Sheriff for each purchase using Forfeiture Funds often included notations by Office of the Sheriff staff alluding to efforts to reduce costs by obtaining quotes from more than one vendor. However, in most instances, such notations (i.e., personal testimonials) were the only form of documentation maintained to show that competitive pricing was explored.

As previously noted, the Office of the Sheriff follows the County's rules and regulations related to travel charged to the Forfeiture Fund.

Office of the Sheriff management stated that it operated under the belief that purchases did not have to be made through the Procurement Division.

Office of the Sheriff management stated that it operated under the belief that purchases did not have to be made through the Procurement Division because such rules and regulations only pertained to County funds. Since Forfeiture Funds are not County funds, there was a presumption that County rules and regulations were optional.

We found nothing in Chapter 32.20 that limits the scope of the Ordinance to specific funding sources. Further, guidelines established by the U.S. Department of Justice specifically state that Forfeiture Fund expenditures are "Subject to laws, rules, regulations, and orders of the state or local jurisdiction governing the use of public funds available for law enforcement purposes…." Therefore, County Ordinances and associated policies and procedures should be applied to expenditures of Forfeiture Funds.

Office of the Sheriff management pointed out that no previous Milwaukee County Sheriffs have followed Milwaukee County procurement procedures for Forfeiture Fund expenditures. Management also noted that there have been past federal audits of the Forfeiture Fund with no comments regarding compliance with local regulations. Our review of numerous Department of Justice audits of local law enforcement agencies' Forfeiture Fund

expenditures indicates the use of a standard audit scope and methodology that does not include a review for compliance with local regulations. Office of the Sheriff management has indicated it is seeking clarification, in writing, from the Department of Justice regarding the applicability of local ordinances to Forfeiture Fund expenditures.

We recommend that the Office of the Sheriff:

5. *Comply with federal Forfeiture Fund guidelines by following all applicable County laws, rules, regulations and orders governing the use of public funds. Specifically, comply with the purchasing requirements as set forth in Chapter 32.20 of the County Ordinances when making purchases involving Forfeiture Funds.*

If the Office of the Sheriff receives written clarification from the Department of Justice indicating local ordinances do not apply to Forfeiture Fund expenditures, we suggest the Office of the Sheriff adopt internal procedures closely paralleling those outlined in Chapter 32.20.

Determination of Forfeiture Fund Use

Federal Asset Forfeiture rules dictate that the law enforcement agency head is ultimately responsible for authorizing Forfeiture Fund expenditures. Specifically, the *Guide* states that a state or local participating law enforcement agency must:

> *Establish an internal procedure to recommend expenditures from the revenue account. In many small agencies, the chief of police determines the purposes for which the funds are used. In larger agencies, committees have been formed to make recommendations for expenditures to the agency head. The agency head must authorize all expenditures from the federal sharing revenue account.*

Suggestions for how to spend Forfeiture Funds can originate from anyone in the department.

According to Office of the Sheriff management, suggestions for how to spend Forfeiture Funds can originate from anyone in the department. Requests are elevated up the chain of command to upper management, which ultimately approves the requests and subsequent requests for payment.

Increase and Not Replace

The *Guide* states that:

> *Sharing must be used to increase or supplement the resources of the receiving state or local law enforcement agency or any other ultimate recipient agency. Shared resources shall not be used to replace or supplant the appropriated resources of the recipient.*

Based on our review of supporting documentation and interviews with Office of the Sheriff staff, we concluded Forfeiture Funds were not used to replace funds appropriated under the County's annual budgetary process.

Eligibility of Community-Based Programs

As noted in **Section 1**, clear and specific criteria for appropriate use of Forfeiture Funds are contained in the DOJ's *Guide to Equitable Sharing for State and Local Law Enforcement Agencies (April 2009).* Appendix C of the Guide details extensive criteria that must be met for determining a community-based program's eligibility to receive Forfeiture Fund benefits.

Law Enforcement Chief Responsibilities

The chief law enforcement officer is required to explain in writing why the applicant's receipt of Forfeiture Fund benefits for the particular activity or use is supportive of and consistent with a law enforcement effort, policy, and/or initiative within the guidelines to support community-based programs. In our review of documentation supporting payments benefitting community-based programs, we found internal memos or other similar documentation written by Office of the Sheriff management describing the reasons for making the payment and the associated law enforcement benefit for all seven organizations for which we reviewed documentation.

The chief law enforcement officer is responsible for determining whether an organization receiving program benefits is the subject of federal, state of local criminal investigation.

The chief law enforcement officer is also responsible for determining whether an organization receiving program benefits, or its principals (e.g., officer, director, trustee or fiduciary)

currently is the subject of federal, state or local criminal investigation. We found no evidence of this compliance requirement being performed by the Office of the Sheriff.

Responsibilities of Community-Based Organizations

In addition, the head of the receiving organization must certify in writing that:

- It is a private, nonprofit organization, pursuant to 26 U.S.C. § 501(c)(3) or (4).
- It is both community-based, and supportive of and consistent with a law enforcement effort, policy, or initiative.
- It will account separately for all guidelines for shared funds use benefits received, and to subject such accounting to the standard accounting requirements and practices employed under state or local law for recipients of federal, state, or local funds.
- It is in compliance with the federal civil rights laws.
- It is in compliance with federal laws that apply to the applicant.
- No officer, director, trustee, or fiduciary of the organization has been convicted of a felony offense under federal or state law; or convicted of any drug offense. Organizations that cannot certify to this may still receive benefits if the chief law enforcement officer provides an explanation supporting a decision to provide benefits, to be reviewed and approved by federal program officials.
- No shared benefits will be used for political or personal purposes.
- No shared benefits will be used for any purpose that would constitute an improper or illegal use under the laws, rules, regulations, or orders of the state or local jurisdiction in which the applicant is located or operates.

We identified $115,065 in Forfeiture Fund payments made for the benefit of community-based programs.

We identified $115,065 in Forfeiture Fund payments made for the benefit of community-based programs. Of this amount, $82,378 was made for the direct benefit of specific organizations, while the remainder was spent in support of the community in general. An example of a general expenditure would be the

purchase of small items such as pencils, coloring books, and junior deputy badges to distribute to the community during special events. **Table 4** lists the organizations that directly benefitted from expenditures made by the Office of the Sheriff.

Table 4
Expenditures Directly Benefitting Community-Based Organizations
January 1, 2008–May 7, 2012

Organization	Amount
Boy Scout of Milwaukee County	$17,453
Neighborhood Children's Sports League	$10,709
Friends of MADACC	$10,000
Sherman Park Lutheran Church & School	$9,988
Beckum-Stapleton Little League	$9,362
Clear Channel Broadcast	$8,000
Hope Christian School - Prima	$5,000
Hope Christian School - Fortis	$5,000
Journey House Football League	$2,500
Lighthouse Youth Center	$2,366
Milwaukee Brewers Charities	$2,000
Total	$82,378

Source: Audit Services Division classification of Office of the Sheriff expenditure records.

For most payments we found references to an organization's non-profit status in the documentation provided. However, we found no written certifications addressing the other compliance requirements necessary for community-based organizations.

Federal requirements need to be followed to ensure that Forfeiture Fund revenues are being spent for the benefit of eligible community-based organizations. We recommend that the Office of the Sheriff:

6. *Implement procedures to ensure that the required eligibility certifications are obtained from community-based organizations receiving Forfeiture Funds prior to making benefits on their behalf.*

7. *Document the determination of whether any key figure within a community-based organization receiving Forfeiture Fund benefits is subject to ongoing criminal investigations, and where key organization figures have been convicted of felony or drug offenses. If such investigations or convictions are identified and the Sheriff deems a prospective expenditure supporting the organization is appropriate, the Sheriff must provide an explanation supporting that decision and submit it to DOJ for approval.*

Maximum Allowable Annual Payments in Support of Community-Based Programs

We determined that the Office of the Sheriff spent a total of $24,514 more than the maximum allowable for community-based programs for the years 2009 and 2011.

Law enforcement agencies may use up to 15% of the total of shared monies received by that agency in the last two fiscal years for the costs associated with drug abuse treatment, drug and crime prevention education, housing and job skills programs, or other non-profit community-based programs or activities that are formally approved by the chief law enforcement officer (i.e., Sheriff). All expenditures must be supportive of and consistent with a law enforcement effort, policy, and/or initiative. We reviewed all payments made by the Office of the Sheriff from January 1, 2008 to May 7, 2012. We determined that the Office of the Sheriff spent a total of $24,514 more than the maximum allowable for community-based programs for the years 2009 and 2011.

Table 5 summarizes the total payments made by the Office of the Sheriff over the past four years, along with the shared revenues that went into the computation of the 15% maximum.

Table 5
Comparison of Actual Payments for Community-Based Programs With Allowable Annual Maximums 2008—2011

	- - - - - - Shared Revenues - - - - - -				
Year	Annual	Prior Two Years	15% Maximum	Actual Payments	Payments Under/(Over) Maximum
2006	$139,504				
2007	$133,077				
2008	$44,214	$272,581	$40,887	$17,268	$23,619
2009	$111,750	$177,291	$26,594	$28,140	($1,546)
2010	$46,235	$155.965	$23,395	$22,991	$404
2011	$80,094	$157,985	$23,698	$46,666	($22,968)
Total Payments in Excess of Maximum Allowable				**($24,514)**	

Source: Audit Services Division analysis based on Milwaukee County Office of the Sheriff records.

The Office of the Sheriff does not have a system in place for categorizing its Forfeiture Fund payments so as to determine compliance with the 15% requirement. We recommend that the Office of the Sheriff:

8. *Develop a system that properly categorizes program payments for community-based organizations on an ongoing basis, and provides the ability to identify if an expenditure will exceed the 15% maximum allowable.*

No General Cash Donations

Additional restrictions apply to payments in support of eligible community-based organizations. Specifically, the *Guide* states:

> ***Cash transfers to community-based programs are not permitted.*** *State and local law enforcement agencies are prohibited from making cash transfers or donations to support community-based programs. Instead, agencies may directly purchase supplies, equipment, and/or services for eligible community-based programs, or reimburse such programs for eligible expenditures with a valid, itemized receipt.*

In all but one instance, we found supporting receipts for specific purchased items that met or exceeded the amount donated by the Office of the Sheriff.

In all but one instance, we found supporting receipts for specific purchased items that met or exceeded the amount donated by the Office of the Sheriff. However, we found no specific invoices for a $10,000 payment to the Friends of Milwaukee Area Domestic Animal Control Commission (MADACC). The donation was stated to be for materials used in the construction of 16 kennels; $7,500 for fencing purchased from a specified vendor, and $2,500 for stone purchased from another vendor. Upon inquiry, the Office of the Sheriff contacted MADACC and appropriate supporting documentation was obtained.

However, there were no receipts from either vendor. Instead, supporting documentation was in the form of an undated, unaddressed memo on MADACC letterhead (rather than the separate support organization Friends of MADACC, to whom the donation was made) containing the word "Invoice" along with the name of the kennel project. The memo/invoice noted the general breakdown of $7,500 for fencing and $2,500 for stone without the detail one would generally expect to see on an invoice (specific item, quantity purchased, unit price, total cost, etc.).

The Office of the Sheriff was aware of the need to make donations only for specific invoices, but in this case felt that the invoice from the Friends of MADACC met the program requirement. However, the importance of the detailed receipt is to document that the expense was in fact incurred by the organization receiving the benefit. We recommend that the Office of the Sheriff:

9. *Make payment to community-based organizations only upon receipt of detailed invoices.*

Section 3: Other Issues

Annual Equitable Sharing Agreement and Certification

Law Enforcement agencies are required to submit annual Equitable Sharing Agreement and Certification reports to DOJ detailing the equitable sharing activity within 60 days of the end of the fiscal year. The reports provide DOJ with summary information on the beginning and ending balances of the forfeiture account, program and other revenues, and expenditures broken down into specific categories. It should be noted that these expenditure categories are not exactly the same as the eligibility categories noted earlier in this report. For example, the annual report breaks down equipment purchases into more specific categories, such as weapons and protective gear, and electronic surveillance expenditures.

We compared the ending balance of the Forfeiture Fund bank account as of December 31, 2011 with the ending balance reported by the Office of the Sheriff's 2011 annual Equitable Sharing Agreement and Certification report. After taking into account outstanding revenues and expenses, we determined that the fund's year-end balance for 2011 reported to DOJ was understated by $11,490, as shown in **Table 6**.

Table 6
Analysis of Forfeiture Fund Ending Balance
As of December 31, 2011

Ending balance per bank statement	$208,214
Ending balance reported by Office of the Sheriff	$196,724
Difference	$11,490

Source: Audit Services Division based on reconciled bank statement balance as of December 31, 2011, and balance reported by the Office of the Sheriff to DOJ on its 2011 Equitable Sharing Agreement and Certification report.

We attempted to determine the cause for this difference by reviewing the annual Equitable Sharing Agreement and Certification reports from 2006–2011. This helped us to identify several math and other errors in the data reported to DOJ. For example, a subtraction error on the 2007 report resulted in the ending balance to be overstated by $10,000. In another case, the ending balance for the 2008 report was incorrectly carried forward as the beginning balance for 2010. This error resulted in an understatement of the account balance by $5,721.

In other instances, the data reported to DOJ was inaccurate. For example, a refund in 2010 for computers purchased the same year was not included as income on the annual Certification report, although it was properly deposited in the Forfeiture Fund.

It is apparent that the Office of the Sheriff has not been reconciling its annual Certification reports to the Forfeiture Fund balance as a control to help ensure reported amounts are accurate.

It is apparent that the Office of the Sheriff has not been reconciling its annual Certification reports to the Forfeiture Fund balance as a control to help ensure reported amounts are accurate. It is important to note that this difference reflects inaccurate data reporting, rather than a shortage or overage of funds. The Audit Services Division of the Office of the Comptroller reconciles the Forfeiture Fund account monthly, as it does with all checking accounts Countywide. This practice serves as a control by separating the functions of recording transactions from reconciling those recorded transactions with official bank statements, reducing the ability for departmental staff to omit or otherwise alter the recording of inappropriate transactions.

According to the Office of the Sheriff fiscal manager, he believes the errors in the Certification reports were the result of the person compiling the reports not having access to all available information. He indicated that future reports will be prepared by staff directly involved in Forfeiture Fund activity. We agree that this will help provide greater accuracy in the future, steps need to be taken that will properly record and categorize transactions on

an ongoing basis to prevent reporting errors in the future. We recommend that the Office of the Sheriff:

10. *Implement procedures that will provide for the accurate recording of information contained on the annual certification form submitted to DOJ. This should include reconciling the ending fund balance reported to DOJ with the year-end Forfeiture Fund bank balance to help ensure accurate accounting for all transactions.*

11. *Include an adjusting entry of $11,490 in the 2012 Certification report to DOJ to accurately reflect the balance of the Forfeiture Fund.*

Timely Annual Certification Report Submission

We could confirm that only one of the six annual Equitable Sharing Agreement and Certification Reports submitted met the 60-day filing requirement. Delays of over five months were noted for four other annual reports that were dated. We could not determine timeliness of the undated 2009 annual report.

Establishing an ongoing system to provide accurate, current data, entered by staff close to the Forfeiture Fund operation, will help expedite the creation of each year's annual report on a timely basis. We recommend that the Office of the Sheriff:

12. *Implement procedures to ensure timely, accurate annual Equitable Sharing Agreement and Certification reports are submitted to DOJ.*

Incorrect Posting of HIDTA Revenue

In 2010, the leases of two vehicles used by the High Intensity Drug Trafficking Area (HIDTA) unit expired. A decision was made to purchase the vehicles for $18,417. One vehicle was to be purchased with Forfeiture Fund revenues, with the other to be purchased by HIDTA. The Forfeiture Fund paid for both vehicles up front, with the agreement that HIDTA would reimburse the fund $9,208 at a later date. However, the payment by HIDTA was improperly deposited in the Sheriff's operations account rather than the Forfeiture Fund. We brought this error to the

attention of the Office of the Sheriff management and corrective action was taken.

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Audit Scope

County Board Resolution 12-129 directed the Audit Services Division of the Office of the Comptroller to perform an audit of the Office of the Sheriff's use of federal forfeiture revenues.

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 of the Milwaukee County Office of the Sheriff's use of Federal Asset Forfeiture Program revenues to the areas specified in this Scope Section. Our review period was from January 2008 through May 7, 2012. During the course of the audit, we:

- Reviewed documentation supporting payments from the Forfeiture Fund over the review period.
- Categorized payments made from the forfeiture fund by allowable type.
- Reviewed the method used by the Office of the Sheriff to account for forfeiture fund transactions.
- Reconciled forfeiture fund checking account transactions to associated bank statements and the annual Equitable Sharing Agreement and Certification that the Office of the Sheriff is required to submit to the United States Department of Justice (USDOJ).
- Reviewed applicable federal and state laws governing the program and how funds are to be accounted for, including the USDOJ's Guide to Equitable Sharing for State and Local Law Enforcement Agencies.
- Interviewed the Assistant Deputy Chief of Program Operations for the Criminal Division, Asset Forfeiture and Money Laundering Section of the United States Department of Justice regarding various compliance issues, including the appropriateness of select transactions made from the asset forfeiture fund.
- Interviewed Office of the Sheriff management concerning the process used to decide what to spend forfeiture funds on, and the procurement practices followed.
- Reviewed Milwaukee County Comprehensive Annual Financial Report and Single Audit management letters for 2008-11 for Federal Asset Forfeiture Fund issues.
- Researched similar audits performed in other states for compliance issues.
- Obtained and reviewed year-end transactions that posted forfeiture fund revenues and expenditures for the year to the County's Advantage financial records.

Exhibit 2

Details of Office of the Sheriff
Forfeiture Fund Expenditures
January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
8/22/08	1954	Ewald Chrysler Jeep Dodge	Mounted Unit - Purchase a 2008 Dodge Ram pickup truck for Mounted Unit	Equipment	$42,986.00
11/9/09	1999	Superior Uniform	Officer uniforms - 300 trousers, 300 shirts	Equipment	$27,732.00
9/24/10	2041	Streicher's	Firearms - 27 S&W MP 15X Special semi-automatic rifles, 200 Magpul E-mags for Expressway Patrol vehicles	Equipment	$24,520.00
10/15/10	2051	Gold Medal Trailer Sales	Mounted Unit - Purchase of horse trailer to transport horses	Equipment	$19,569.76
9/27/10	2043	Selig Leasing	HIDTA - Purchased two 2007 Chevy Tralblazers whose lease period had ended	Equipment	$18,417.00
9/24/08	1959	Sportland 2, Inc.	Targeted Enforcement Unit (TEU)- Purchase of two personal water crafts, wetsuits, trailer, accessories	Equipment	$18,140.00
9/30/10	2044	Braeger Chevrolet	Apprehension Unit - Purchase a 2007 Chevy Trailblazer and 2001 Dodge Grand Caravan	Equipment	$17,742.53
1/28/11	2064	Lark Uniform Outfitters	Honor Guard - 18 uniforms	Equipment	$14,669.30
4/18/08	1937	Segway of Milwaukee	Patrol Division - Purchase of two Segways (i2 & x2) for Airport & Parks	Equipment	$14,500.00
10/14/10	2050	SecurMAR LLC	Purchase of two portable CEIA high performance metal detectors for use during disciplinary hearings	Equipment	$12,340.00
10/20/11	2110	Magnum Fitness System	Workout equipment (2 treadmills, elliptical machine, bike & floor tiles)	Equipment	$11,740.00
8/10/10	2033	K-LOG, INC.	AV System - Office furniture (chairs, tables, lectern) as part of the AV system for CCF-C conference room	Equipment	$10,849.00
9/25/08	1960	AVI Systems, Inc.	AV System - Purchase & installation of comprehensive AV system for Operations Center (Safety Building, Room 209)	Equipment	$10,151.00
8/31/11	2105	Eder Flag Mfg. Co	Replace 39 worn & outdated agency flags	Equipment	$9,295.00
5/26/11	2089	Integrated Technologies, Inc	2 surveillance cameras and related equipment for Sheriff's Memorial in Cass Park	Equipment	$9,265.00
8/6/08	1949	Forrer Business Interiors	Office furniture - 17 chairs	Equipment	$8,233.00
9/24/10	2042	CDW Government, Inc.	Electronics - Eight 37" HDTV, one 46" HDTV + mounts for COMSTAT video enhancement	Equipment	$8,210.62
5/19/11	2086	Sportland 2, Inc.	TEU & SWAT Unit - Purchase of all-terrain vehicle	Equipment	$7,888.00
1/20/11	2063	House of Harley Davidson	Purchase of a used 2006 Harley Davidson FLHTP-IFAIR motorcycle	Equipment	$7,838.50
6/23/10	2028	AVI Systems, Inc.	AV System - Purchase & installation of AV system at CCF-C, OPS Ctr & MSCO Academy	Equipment	$7,827.85
3/17/10	2013	MCOS State Forfeiture Fund	AV System - CCF-C Conference Center	Equipment	$7,360.00
12/11/08	1966	CDW Government, Inc.	Electronics - Purchase five Dell laptops	Equipment	$7,150.00
1/26/12	2129	Lenco Armored Vehicles	Vehicle repairs - gas injector unit for Bearcat armored vehicle	Equipment	$6,840.00
1/8/09	1970	Hewlett Packard	Electronics - Purchase & install of printer (HP Designjet T1100 PS)	Equipment	$6,818.00
3/8/12	2134	Ken Smith Quarter Horses	Mounted Unit - Rent six horses for three months (Jan.- Mar. 2012)	Equipment	$6,300.00

Exhibit 2

Details of Office of the Sheriff
Forfeiture Fund Expenditures
January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
4/27/11	2078	Off Shore Performance	Vehicle repair - Patrol boat	Equipment	$6,295.00
10/23/09	1998	United Security Services	Electronics - Purchase surveillance system for Intox room	Equipment	$5,999.00
6/1/09	1981	AVI Systems, Inc.	Electronics - Purchase & install of Audio visual equip (Payment No. 1)	Equipment	$5,838.00
7/7/09	1990	AVI Systems, Inc.	Electronics - Purchase & install of Audio visual equip (Final Payment)	Equipment	$5,838.00
4/25/12	2138	Sportland 2, Inc.	Vehicle purchase - 2012 Can-Am 500cc ATV	Equipment	$5,756.50
8/19/08	1951	Symbol Arts	Officer uniforms - 81 MCSO badges	Equipment	$5,375.00
9/14/10	2039	Dell Catalog Sales L.P.	Electronics - Two laptop computers for Administrative Bureau (subsequently returned for refund)	Equipment	$5,295.81
4/27/11	2080	ArmyProperty.Com	Firearms - Four Pelican rifle cases (plus shipping)	Equipment	$5,067.80
10/28/10	2054	Paragon Development Systems	Electronics - Two laptops for Administration	Equipment	$4,853.00
8/8/11	2104	Sandra M. Welsher	Mounted Unit - Horse boarding cost for Sept. 2009 - April 2011 (20 months) for donated horse	Equipment	$4,800.00
10/18/10	2052	CDW Government, Inc.	Electronics - Web conferencing technology enhancements	Equipment	$4,555.25
10/7/10	2049	Lark Uniform Outfitters	Officer uniforms - Assorted uniform apparel for 12 CCF-S staff	Equipment	$4,427.03
5/10/10	2015	ColorID	Electronics - Printer & 6 ribbons	Equipment	$3,501.00
5/7/12	2139	Red the Uniform Tailor	Officer uniforms (no invoice in file)	Equipment	$3,389.40
8/9/10	2032	Milwaukee County Sheriff's Office	Officer uniforms - Reimburse County for amount collected from officers reimbursement in excess of uniform cost	Equipment	$3,270.00
9/24/10	2040	Streicher's	Firearms - 27 Blackhawk Strom Sling, adapter, gun case & bail out bag	Equipment	$3,172.50
9/6/11	2106	CDW Government, Inc.	Electronics - Computer & 55" monitor for DA in prosecuting OWI	Equipment	$2,938.82
6/25/09	1988	AVI Systems, Inc.	Electronics - Purchase & install of Audio visual equip (Payment No. 2)	Equipment	$2,864.00
2/15/12	2131	EBattery, Inc.	Vehicle parts - Segway batteries	Equipment	$2,648.00
7/15/10	2030	Badger Uniforms	Mounted Unit - 12 Blazer jackets & Stratton hats	Equipment	$2,514.00
2/11/11	2068	Lark Uniform Outfitters	Officer uniforms - Miscellaneous uniform articles	Equipment	$2,505.71
12/7/11	2127	DJ's Transmissions	Vehicle repairs - transmission of 1984 Peacekeeper armored vehicle	Equipment	$2,050.00
4/11/11	2075	CDW Government, Inc.	Electronics - Web conferencing technology enhancements - conference phones	Equipment	$1,931.47
3/17/09	1975	Havyey Communications, Inc.	Vehicle parts - Lights package for truck	Equipment	$1,802.80
10/7/10	2047	Free Style Graphics, Inc.	Purchase assorted training academy clothing	Equipment	$1,644.70
11/30/11	2125	Badger Uniforms	Honor Guard - Six pairs of trooper boots	Equipment	$1,542.00
9/8/08	1957	Ultimate Truck & Car Accessories	Vehicle purchase - Towing package for new 2008 Dodge Ram pickup truck	Equipment	$1,378.46

Exhibit 2

Details of Office of the Sheriff
Forfeiture Fund Expenditures
January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
4/20/09	1979	Xerographic Supply of WI	Electronics - One computer	Equipment	$1,239.63
2/3/09	1973	Independence First	Office equipment - Two conference tables and 60 chairs	Equipment	$800.00
4/30/08	1940	MAACO	Vehicle repairs - 2002 GRD PRIX GT	Equipment	$796.50
8/28/09	1993	Johnson's Cycle & Fitness, Inc.	Bicycle purchase - One specialized policing unit bicycle & accessories	Equipment	$624.65
8/21/08	1952	K & M Embroidering & Screen Printing	Officer uniforms - Embroidery & Printing for shirts	Equipment	$614.00
10/21/08	1964	Glen's Auto Body, Inc.	Vehicle repair - Auto body	Equipment	$580.36
7/19/11	2098	Milwaukee County Sheriff's Office	Mounted Unit - Horse maintenance	Equipment	$525.00
4/3/09	1977	D & L Auto Services, Inc.	Vehicle repairs - 2008 pickup truck	Equipment	$521.03
11/10/10	2056	Northern Tool & Equipment	Firearms - Patrol rifle safe	Equipment	$506.08
2/23/11	2071	John Triantafelo	Mounted Unit - Horse maintenance	Equipment	$505.00
5/12/10	2022	John Triantafelo	Mounted Unit - Horse maintenance (Shoeing for four horses)	Equipment	$500.00
1/29/10	2007	Goodyear Wholesale Tire Center	Vehicle parts - 4 tires for seized Pontiac Firebird used by Community Policing Unit	Equipment	$480.48
3/8/12	2133	Sandra M. Welsher	Mounted Unit - Horse boarding cost for Feb. & March 2012	Equipment	$480.00
4/27/11	2077	Sportland 2, Inc.	Vehicle repair - ATV	Equipment	$454.12
8/8/11	2103	Alongi Santas	Worker compensation for new doctors contract	Equipment	$427.00
4/27/11	2079	Lark Uniform Outfitters	Officer uniforms - Six officer shirts	Equipment	$371.70
5/23/08	1944	Red the Uniform Tailor	Mounted Unit - Uniforms	Equipment	$362.45
7/30/08	1948	Ewald's Venus Ford, Inc.	Vehicle repairs - 2004 truck	Equipment	$337.04
6/20/08	1946	K & M Embroidering & Screen Printing	Mounted Unit - 11 embroidered shirts	Equipment	$330.00
4/10/08	1936	WI State Fair Park	Mounted Unit - Facility rental cost for Mounted training unit - 5/11/08 - 5/17/08	Equipment	$300.00
4/3/09	1978	WI State Fair Park	Mounted Unit - Rental of facility for Mounted training unit - State Fair - 5/10/09 - 5/15/09	Equipment	$300.00
5/29/08	1945	Segway of Milwaukee	Vehicle parts - Equipment for Segways used at Airport	Equipment	$275.00
3/17/09	1974	Hanna Trailer	Mounted Unit - Maintenance for horse trailer	Equipment	$264.98
2/13/12	2130	Sandra M. Welsher	Mounted Unit - Horse boarding cost for Jan. 2012	Equipment	$240.00
6/8/11	2090	Lark Uniform Outfitters	Officer uniforms - 21 name tags	Equipment	$229.95
3/30/09	1976	Waukesha County Treasurer	Vehicle parts - Installation of light package for truck	Equipment	$216.90
5/12/10	2021	Johnson's Cycle & Fitness, Inc.	Bicycle maintenance for four bicycles	Equipment	$169.80
5/12/10	2023	Kettle Moraine Equine Hospital	Mounted Unit - Horse maintenance (blood work & certificates for four horses)	Equipment	$133.00

Exhibit 2

Details of Office of the Sheriff
Forfeiture Fund Expenditures
January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
12/18/08	1967	AVI Systems, Inc.	Electronics - Change order for AV system order - Extron 2 Output Amplifier Cord	Equipment	$120.00
9/3/08	1956	Registration Fee Trust	Vehicle purchase - Title & Registration for new 2008 Dodge Ram pickup truck	Equipment	$79.50
12/7/11	2128	Symbol Arts	Honor Guard - one badge	Equipment	$75.00
6/24/11	2093	Leslie Wachowiak	Officer uniforms - One shirt for Sheriff Clarke	Equipment	$34.85
				Total - Equipment	**$450,529.83**
4/11/11	2074	Southern Police Canine, Inc.	K-9 Unit - Training for two canine handlers for six weeks	Training	$28,000.00
1/13/11	2058	Disney Destinations, LLC	Training for 50 + at CCF-S by Disney's Approach to Business Excellence	Training	$24,900.00
6/22/09	1987	Harvard University	Tuition for one - Harvard University Training	Training	$11,200.00
4/11/11	2076	Harvard University	Tuition for one - Harvard University Training - 7/11/11 - 7/29/11	Training	$11,200.00
8/20/10	2034	FTF Tactics, LLC	Registration fee for 12 - High Velocity 360	Training	$8,500.00
12/7/11	2126	Harvard University	Tuition for one - Harvard University - 5/15/11 - 5/20/11	Training	$6,600.00
11/17/11	2123	Northeast WI Technical College	Registration fee for eight - CERT instructor course	Training	$5,560.00
9/24/08	1958	Marquette University	Tuition costs for four - Future Milwaukee Program 2008-09	Training	$5,400.00
10/7/10	2048	LoveThinks, LLC	Instructional material, DVDs, certification packets for PICK and LINKS counseling program	Training	$5,400.00
10/7/10	2046	Goff & Associates	Travel & consulting fee for Frederic Goff (instructor) 9/13/10 - 9/16/10	Training	$3,787.63
9/22/09	1994	Marquette University	Tuition costs for two - Future Milwaukee Program 2009-10	Training	$3,600.00
1/20/11	2062	Goff & Associates	Travel and Consulting fee for Frederic Goff (instructor) - 1/10/11 - 1/14/11	Training	$3,100.00
5/19/11	2085	Goff & Associates	Travel and Consulting fee for Frederic Goff (instructor) - 4/11/11 -4/15/11	Training	$2,946.36
1/31/11	2065	Assoc. of SWAT Personnel - WI	Registration fee for 16 - Tactical training seminar for Association of SWAT personnel	Training	$2,500.00
3/3/11	2072	James W. Schreier, Ph.D.	Training Workshop - Performance-Based Hiring Workshop	Training	$2,000.00
4/4/12	2137	Underwater Connection	Dive team training	Training	$1,974.00
3/8/12	2135	Wisconsin Athletic Club	Training for 25 command staff - WAC Wellness Pilot Program	Training	$1,875.00
10/14/08	1961	Home Front Travelmart Catering	Meals for SWAT Training - 24 meals per day 6 days	Training	$1,824.00
5/7/08	1941	Van Meter & Associates, Inc.	Training program - "Quota Free police"	Training	$1,400.00
5/7/08	1942	Van Meter & Associates, Inc.	Training program - "Quota Free police"	Training	$1,400.00
4/27/09	1980	Karen Blum	Instructor fee for Training at Suffolk County Law School - "Qualified Immunity"	Training	$1,200.00
4/8/08	1934	WI Department of Justice	Registration fee for one - Death investigations training	Training	$951.25
1/11/10	2006	Oakland CA Police Dept. Training	Registration fee for one - Tactical Science course in Oakland	Training	$820.00

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Date	Check No.	Payee	Description	Category	Amount
9/14/10	2038	Aardvake Tactical Foundation	Registration fee for one - Aardvark Tactical Foundation training	Training	$820.00
10/14/08	1962	DAO Limestone	Lodging for SWAT Training	Training	$762.21
10/16/08	1963	Governing	30 copies of book "We don't make Widgets"	Training	$688.50
3/8/12	2132	Col. Ret. Danny McKnight	35 copies of the book Streets of Mogadishu	Training	$628.25
10/27/11	2119	WLEEAA	Registration fee for five - WI Law Enforcement Explorer Advisors Assoc. conference	Training	$550.00
7/19/11	2099	Fox Valley Technical College	Training for unspecified subject - this was a re-billing without the specifics	Training	$545.00
4/8/08	1933	WAHI	Registration fee for two - Annual training conference in Eau Claire	Training	$390.00
10/29/10	2055	WLEEAA	Registration fee for three - WLEEA annual conference	Training	$330.00
4/28/11	2082	Powerphone, Inc.	Dispatcher training	Training	$329.00
4/27/11	2081	WINS CPS Training	WINS CPS Training for one - to become a child safety technician	Training	$310.00
1/20/09	1971	Major County Sheriffs Assoc.	NSA conference in Washington D C	Training	$300.00
6/24/11	2092	Fond du Lac County	Registration fee for four - training on civil process	Training	$300.00
10/20/11	2108	WCTC	Reg. for three - Effective Personnel Investigations & Discipline / Effective Mgmt. Practices	Training	$240.00
6/30/11	2096	Dane County Treasurer	Registration fee for three - Courtroom Security - Major/High Profile cases	Training	$225.00
6/15/09	1982	St. Louis Area Law Enforcement Exploring	Registration fee for one advisor - St. Louis Explorer Training Academy	Training	$210.00
2/9/10	2008	The Exchange Club of Milwaukee	Registration fee for 10 - Crime Prevention Awards program at Wisconsin Club	Training	$200.00
5/10/10	2016	Pt. Washington Police Dept.	Registration fee + lunch for one - Executive Mgmt. Program training	Training	$150.00
5/10/10	2017	Pt. Washington Police Dept.	Registration fee + lunch for one - Executive Mgmt. Program training	Training	$150.00
5/10/10	2018	Pt. Washington Police Dept.	Registration fee + lunch for one - Executive Mgmt. Program training	Training	$150.00
5/10/10	2019	Pt. Washington Police Dept.	Registration fee + lunch for one - Executive Mgmt. Program training	Training	$150.00
5/10/10	2020	Pt. Washington Police Dept.	Registration fee + lunch for one - Executive Mgmt. Program training	Training	$150.00
10/20/11	2107	Milw. County Medical Examiner	Registration fee for one - John R. Taggatz Science Seminar on death investigations	Training	$150.00
6/15/09	1983	Wisconsin Police Explorer Academy	Registration fee for one advisor - Wis. Police Explorer readiness class	Training	$125.00
10/27/11	2115	ASIS Greater Milwaukee Chapter	Registration fee for two - Global Threat Analysis	Training	$120.00
9/14/10	2036	FBI	Assessment fees for one - Training @ Quantico	Training	$115.00
9/14/10	2037	FBINAA, INC.	Membership fee for one - Training at Quantico	Training	$105.00
5/26/11	2087	FBINAA, INC.	Registration fee for one - FBINAA annual training	Training	$75.00
12/8/10	2057	WI Counties Assoc.	Registration fee for one - Dealing with Conflict in County Government	Training	$70.00

Exhibit 2

Details of Office of the Sheriff
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January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
4/8/08	1935	WI Counties Assoc.	Registration fee for one - WCA educational seminar	Training	$60.00
6/28/11	2095	WI Crime Prevention Practitioners Assoc.	Registration fee for one - training in scrap metal theft	Training	$50.00
				Total - Training	**$144,586.20**
2/17/11	2070	Friends of MADACC	Donation for construction of 16 kennels at Milw. Area Domestic Animal Control Comm.	Community-based Prog.	$10,000.00
1/13/11	2061	Consistent Computer Bargains	Ten laptop computers for S.T.O.R.M. Center (Sherman Park Lutheran Church & School)	Community-based Prog.	$9,988.00
2/14/11	2069	Clear Channel Broadcast	Sponsorship for Read & Rise literary book fair - 2011	Community-based Prog.	$8,000.00
10/6/09	1997	Neighborhood Children's Sports League	Donation for equipment	Community-based Prog.	$7,500.00
6/17/10	2027	Beckum-Stapleton Little League, Inc.	Donation for replacing warning track at Midwest Athletic Field 1, 3 & 4	Community-based Prog.	$7,500.00
6/22/09	1986	National Premium, Inc.	Community relations handout order	Community-based Prog.	$5,143.51
5/19/11	2101	Hope Christian School - Fortis	Donation for textbooks and practice readers	Community-based Prog.	$5,000.00
5/19/11	2102	Hope Christian School - Prima	Donation for math and reading textbooks	Community-based Prog.	$5,000.00
7/29/08	1947	National Premium, Inc.	Community relations event supplies	Community-based Prog.	$3,749.93
12/23/09	2005	Neighborhood Children's Sports League	Neighbor Children Sports League - Contribution for equipment	Community-based Prog.	$3,208.75
7/31/09	1992	Chief's Supply	Purchase 5,000 Jr. Deputy Badges for community distribution	Community-based Prog.	$3,208.50
2/15/08	1929	Boy Scouts - Milwaukee County	Donation for Law Enforcement Expo contribution - 2008	Community-based Prog.	$2,500.00
6/25/09	1989	Journey House Football League	Donation for team sponsorship - 2009	Community-based Prog.	$2,500.00
3/19/08	1931	Stoffel Seals	Purchase 7,500 badges for community distribution	Community-based Prog.	$2,325.00
11/17/11	2124	Free Style Graphics, Inc.	MCSO Explorer Post 890 - 35 Explorer jackets @ $75 each	Community-based Prog.	$2,275.00
3/2/10	2012	Chief's Supply	Purchase 3,000 deputy badges for community distribution	Community-based Prog.	$2,132.10
11/20/08	1965	AM 1290 WMCS	Donation for WMCS Thanksgiving Bountiful Baskets Giveaway - 2008	Community-based Prog.	$2,000.00
2/3/09	1972	Boy Scouts - Milwaukee County	Donation for Law Enforcement Expo & Scoutreach contribution - 2009	Community-based Prog.	$2,000.00
11/19/09	2000	Brewers Charities	Donation for WMCS Thanksgiving Bountiful Baskets Giveaway - 2009	Community-based Prog.	$2,000.00
11/19/09	2001	Malik Communications	"Fighting Back" Crime Prevention Magazine advertising fee - 2009	Community-based Prog.	$2,000.00
5/28/10	2026	Learning for Life (NLEEC)	MCSO Explorer Post 890 - Contribution for 2010 national conference	Community-based Prog.	$2,000.00
10/21/10	2053	AM 1290 WMCS	Sponsoring inner city radio programming	Community-based Prog.	$2,000.00
10/27/11	2116	AM 1290 WMCS	Sponsoring inner city radio programming	Community-based Prog.	$2,000.00

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Details of Office of the Sheriff
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January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
4/18/08	1938	Beckum-Stapleton Little League, Inc.	Donation for supplies for 2008	Community-based Prog.	$1,862.21
2/17/10	2010	National Premium, Inc.	Purchase 2,500 pens, 2650 pencils for community distribution	Community-based Prog.	$1,572.38
10/20/11	2109	Free Style Graphics, Inc.	MCSO Explorer Post 890 - 40 Explorer shirts @ associated patches/logos	Community-based Prog.	$1,556.00
5/14/08	1943	Learning for Life (NLEEC)	MCSO Explorer Post 890 - Contribution for 2008 national conference	Community-based Prog.	$1,500.00
5/12/10	2024	Boy Scouts - Milwaukee County	Donation for Law Enforcement Expo contribution - 2010	Community-based Prog.	$1,500.00
1/13/11	2060	Boy Scouts - Milwaukee County	Donation for Law Enforcement Expo ($1000) & Scoutreach ($500) contribution - 2011	Community-based Prog.	$1,500.00
9/3/10	2035	Paintball Dave's, Inc.	Lighthouse Youth Center - event for 20 youth to "Battle the Deputies" in paintball	Community-based Prog.	$1,280.00
7/15/10	2029	Free Style Graphics, Inc.	MCSO Explorer Post 890 - Logos, patches, etc.	Community-based Prog.	$1,222.25
8/15/08	1950	National Premium, Inc.	Community relations event supplies	Community-based Prog.	$1,198.55
2/11/10	2009	National Premium, Inc.	Purchase 2,500 coloring books for community distribution	Community-based Prog.	$1,175.00
4/2/10	2014	National Premium, Inc.	Purchase 2,558 key chains for community relations distribution	Community-based Prog.	$1,097.62
5/24/10	2025	Malik Communications	"Fighting Back" Crime Prevention Magazine advertising fee - 2010	Community-based Prog.	$1,000.00
10/27/11	2117	CMP Entertainment	Lighthouse Youth Center - 20 youth @ $45 for community event	Community-based Prog.	$900.00
2/15/08	1930	Boy Scouts - Milwaukee County	2008 - Boys Scouts (Scoutreach) contribution	Community-based Prog.	$800.00
2/4/08	1928	Malik Communications	"Fighting Back" Crime Prevention Magazine advertising fee - 2008	Community-based Prog.	$600.00
9/24/09	1996	National Premium, Inc.	Purchase 8,000 tattoos for community distribution	Community-based Prog.	$579.57
3/2/10	2011	National Premium, Inc.	Purchase 700 tattoos for community distribution	Community-based Prog.	$512.00
8/22/08	1953	National Premium, Inc.	Purchase 2,625 pencils that say "Expect the Best" for community distribution	Community-based Prog.	$393.25
10/27/11	2118	Free Style Graphics, Inc.	Lighthouse Youth Center - 31 shirts	Community-based Prog.	$385.50
8/27/08	1955	Richard Gellendin	Limousine rental for youth event	Community-based Prog.	$185.75
3/28/08	1932	MCOS Explorer Unit	MCSO Explorer Post 890 - Annual charter payment for 2008	Community-based Prog.	$153.00
2/8/11	2067	Free Style Graphics, Inc.	MCSO Explorer Post 890 - Shirt logos	Community-based Prog.	$46.00
1/13/11	2059	Boy Scouts - Milwaukee County	Registration fee for Sheriff Clarke	Community-based Prog.	$15.00
				Total - Community-based Programs	**$115,064.87**
7/27/10	2031	Milwaukee County Treasurer	Meetings & authorized travel expenses - 2009	Travel Costs	$26,645.15
12/31/08	1968	Milwaukee County Treasurer	Meetings & authorized travel expenses - 2007	Travel Costs	$17,120.20
1/3/08	1927	Milwaukee County Treasurer	Meetings & authorized travel expenses - 2005 & 2006	Travel Costs	$12,752.33

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Details of Office of the Sheriff
Forfeiture Fund Expenditures
January 1, 2008 – May 7, 2012

Date	Check No.	Payee	Description	Category	Amount
12/31/08	1969	Milwaukee County Treasurer	Meetings & authorized travel expenses - 2008	Travel Costs	$10,314.22
4/29/11	2083	Milwaukee County Treasurer	Meetings & authorized travel expenses - 2010	Travel Costs	$6,953.66
9/22/09	1995	Milwaukee County Treasurer	Travel expenses for training in Los Angeles	Travel Costs	$1,730.93
4/7/11	2073	David A. Clarke, Jr.	Travel advance for unspecified training	Travel Costs	$1,000.00
11/7/11	2121	Tobie Weberg	Travel - One passport	Travel Costs	$234.00
11/3/11	2120	Aisha Barkow	Travel - One passport	Travel Costs	$225.00
11/7/11	2122	Scott Stiff	Travel - One passport	Travel Costs	$205.56
12/14/09	2004	Sandra M. Welsher	Travel expenses for WI Humane Officer's Training - Madison (10/18/09 - 10/22/09)	Travel Costs	$125.61
				Total - Travel Costs	**$77,306.66**
10/6/10	2045	Suburban Asphalt Co, Inc	Purchase and install 1/8 mile running track at CCF-S	Facilities	$30,485.00
				Total - Facilities	**$30,485.00**
10/20/11	2112	Symbol Arts	288 Expect the Best mugs @$15.62	Awards & Memorials	$4,598.56
10/20/11	2111	Symbol Arts	300 Challenge coins, 100 Service Excellence pins, 100 OWI Enforcement pins	Awards & Memorials	$2,523.50
4/18/08	1939	Symbol Arts	200 "Service Excellence" pins	Awards & Memorials	$435.00
				Total - Awards & Memorials	**$7,557.06**
6/28/11	2094	Milwaukee County Sheriff's Office	Correcting disbursement for deposit that should have been made to trust account	Other	$1,047.00
				Total - Other	**$1,047.00**
				Total Expenditures	**$826,576.62**

Source: Check data from Office of the Sheriff, categorized by Audit Services Division, Office of the Comptroller

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County of Milwaukee

Office of the Sheriff

David A. Clarke, Jr.
Sheriff

DATE: September 25, 2012

TO: Jerome J. Heer, Director of Audits

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

SUBJECT: **Response to the Milwaukee County Office of the Comptroller Audit Services Division's review of Milwaukee County Office of the Sheriff's Use of Federal Asset Forfeiture Program Funds**

The Office of the Sheriff has reviewed the Milwaukee County Office of the Sheriff's Use of Federal Asset Forfeiture Program funds document as prepared by the Milwaukee County Office of the Comptroller Audit Services Division and has included responses to recommendations by the Audit Services Division below.

Recommendation #1 - Prohibit use of Forfeiture fund to 'front' or 'advance' monies for non-Forfeiture Fund expenditures such as uniforms ultimately purchased by Deputy Sheriffs.

This was an isolated incident. The purchase of uniforms is an allowable use of the Federal Forfeiture Fund (FFF). The proceeds from the eventual sale of the uniforms were returned to the FFF offsetting the expenditure in full. However, the Office of the Sheriff will comply and will direct staff to ensure this type of expense does not occur in the future.

Recommendation #2 - Recoup $2,353 paid in error to Superior Uniform.

The Accounting Manager of the Office of the Sheriff has contacted Superior Uniform to seek a reimbursement of the overpayment. It is no longer a FFF issue since the FFF has been repaid in full for the outlay for uniforms. The credit is owed to Milwaukee County not the FFF.

Recommendation # 3 - Implement a system whereby travel costs charged to the Forfeiture Fund can be clearly identified and properly supported.

In February of 2011, the Office of the Sheriff implemented a new tracking and control system for all travel within the Office of the Sheriff. This system has continued to be refined over the last year and a half. The Office of the Sheriff will use this newly implemented system to comply with the recommendation to clearly identify and support travel costs charged to the Federal Forfeiture Fund.

The Fiscal Staff created a tracking system based upon an Excel worksheet that tracks all travel requests for employees of the Office of the Sheriff. Sub-ledgers classify travel into specific purpose types to be charged (i.e., regular, federal forfeiture) and expense detail based upon the travel documentation and receipts submitted with expense reports. Final expense reports and supporting documentation will be retained in regular and federal forfeiture travel files by the month expensed for easy access and expense verification.

Recommendation #4 - Process all batch travel reimbursement transactions from the Federal Forfeiture Fund on a timely basis.

The Office of the Sheriff will comply with the reimbursement of travel expenses prior to the close of the County's fiscal year and prior to submittal of the annual Equitable Sharing Report required to be submitted to the DOJ. With the new travel tracking system that the fiscal staff has implemented, all Federal Forfeiture travel expenses charged to County travel credit cards will be reimbursed quarterly eliminating the need for expense accruals at yearend. This processing will become effective for the calendar year 2013. Every effort will be made to record all appropriate travel expenses for fiscal year ending 2012.

Recommendation #5 - Comply with Federal Forfeiture Fund guidelines by following all applicable County laws, rules, regulations and orders governing the use of public funds. Specifically, comply with the purchasing requirements as set forth in Chapter 32.20 of the County Ordinances when making purchases involving Forfeiture Funds.

The Office of the Sheriff is seeking written confirmation from the Department of Justice regarding the requirement of the DOJ on the purchasing guidelines. No Milwaukee County Sheriff has used the County procurement division as it relates to the use of the FFF and no prior audit has stated that the use of County Procurement is required for this expendable trust fund. The Office of the Sheriff does generally follow the purchasing guidelines of the County and if directed to do so by DOJ will in fact comply entirely with this recommendation.

Recommendation #6 - Implement procedures to ensure that the required eligibility certifications are obtained from community-based organizations receiving Forfeiture Funds prior to making benefits on their behalf.

The Inspector responsible for the review and approval of the use of FFF has begun to develop a standardized procedure for acquiring all necessary information prior to making benefits on behalf of a CBO.

Recommendation #7 - Document the determination of whether any key figure within a community-based organization receiving Forfeiture Fund benefits is subject to ongoing criminal investigations, and whether key organization figures have been convicted of felony or drug offenses. If such investigations or convictions are identified and the Sheriff deems a prospective expenditure supporting the organization is appropriate, the Sheriff must provide an explanation supporting that decision and submit it to DOJ for approval.

The Inspector responsible for the review and approval of the use of FFF has begun to develop a standardized procedure for acquiring all necessary information prior to making benefits on behalf of a CBO.

Recommendation #8 - Develop a system that properly categorizes program payments for community-based organizations on an ongoing basis, and provides the ability to identify if expenditure will exceed the 15% maximum allowance.

The audit lists a total of $115,065 in community-based program expenditures during the review period and determined that the Office of the Sheriff spent a total of $24,514 more than the maximum allowable for community-based programs for the years 2009 and 2011. However, $28,185 of the $115,065 was expended for supplies and gear for the Explorer Post operated out of the Sheriff's Community Relations Budget and is considered by the Office of the Sheriff to be Law Enforcement Expenditures.

The Office of the Sheriff will contact the DOJ to establish the proper recording of Explorer expenses and will develop a system to ensure that future expenditures do not exceed the 15% limit. The Office of the Sheriff will develop a system to properly categorize program payments for community-based organizations on an ongoing basis. This will provide the capability to measure total payments so that they do not exceed the maximum 15% allowance. All payments will be recorded cumulatively into appropriate expenditure categories and provide the basis to evaluate program payments to community-based organizations versus the 15% maximum allowance. This system will become effective in the fourth quarter of 2012. The proper

classification and grouping of program expenses will also provide the ability to produce more accurate and timely Equitably Sharing and Certification Reports.

Recommendation #9 - Make payment to community-based organizations only upon receipt of detailed invoices.

The Office of the Sheriff will comply.

Recommendation #10 - Implement procedures that will provide for the accurate recording of information contained on the annual certification form submitted to DOJ. This should include reconciling the ending fund balance reported to DOJ with the year-end Forfeiture Fund bank balance to help ensure accurate accounting for all transactions.

The Office of the Sheriff will comply.

Recommendation #11 - Include an adjusting entry of $11,490 in the 2012 certification report to DOJ to accurately reflect the balance of the Forfeiture Fund.

The Office of the Sheriff is reviewing the Audit Division's conclusion that an adjusting entry is required. The Audit Division has not proven to the Office of the Sheriff that the certification report is in error, it has only identified a variance between the certification report and the amount of the December 2011 bank reconciliation. This variance is primarily due to expenditures paid by Milwaukee County and correctly included in the DOJ annual report that the Sheriff's Office has not yet written reimbursement checks for. The Office of the Sheriff will write these reimbursement checks and determine if further corrections are necessary.

Recommendation #12 – Implement procedures to ensure timely, accurate annual Equitable Sharing Agreement and Certification reports are submitted to DOJ.

In order to remain in compliance and eligible to receive funds from the US Department of Justice, an agency must complete the Equitable Sharing Agreement and Certification form by February 28th of each year.

The review of December financial reports, travel expense credit card usage and bank reconciliation statements usually are not completed in time to prepare the certification report and obtain signatures from the Sheriff and the County Executive.

The Office of the Sheriff will accurately complete, obtain signatures and submit the annual Equitable Sharing Agreement and Certification reports as soon as possible after the end of the year.

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

cc: Scott Manske, Comptroller, Milwaukee County
Douglas Jenkins, Deputy Director of Audit