



Audit of Police Property and Evidence

March 11, 2021

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Executive Summary

Objective and Scope

The objective of this audit was to evaluate the adequacy and effectiveness of internal controls over the Dallas Police Department's property and evidence, including policies and procedures, physical security and access controls, inventory management, and storage controls. The scope of the audit included management operations for Fiscal Years 2018 to October 2020.

What We Recommend

We recommend the Dallas Police Department:

- Revise and update *Standard Operating Procedures*.
- Implement a solution for automatically notifying responsible personnel of item review for potential disposition.
- Ensure property and evidence is protected from potential theft, tampering, and environmental exposure at auxiliary locations.

Background

The Dallas Police Department's Property Unit is responsible for maintaining a centralized location and two auxiliary locations to manage the receipt, storage, transfer, and disposal of property and evidence.

The Property Unit oversees the storage of over 2 million items of property and evidence. Reviews of items and data stored in the department's tracking system are performed by Property Unit personnel and the Dallas Police Department Internal Affairs Division.

The Office of the City Auditor completed an Audit of Internal Controls at the Dallas Police Department Property Unit in Fiscal Year 2008, with a follow-up audit issued in 2009. The follow-up audit concluded lack of physical space, system functionality, and climate controls for high-risk inventory remained a concern.

What We Found

The Dallas Police Department's Property Unit data elements stored in the Evidence Manager inventory management system regarding location, tag, and invoice number are reliable. However, the Property Unit does not have an effective and efficient review process for property and evidence item disposition or release. In addition, the Property Unit:

- Does not always dispose of items authorized for disposal or release to the owner.
- Has outdated and incomplete *Standard Operating Procedures* regarding disposition activities.
- Stores property and evidence items at locations not suitable for that purpose.

Audit Results

As required by *City Council Resolution 88-3428*, departments will establish internal controls in accordance with the standards established by the Comptroller General of the United States pursuant to the *Federal Managers' Financial Integrity Act of 1982*. Administrative Directive 4-09, *Internal Control* prescribes the policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A: Dallas Police Department Property Unit – Disposition Process

The Dallas Police Department Property Unit does not have an effective and efficient review process for property and evidence inventory item disposition or release from the Property Unit. As a result, warehouse space is not efficiently cleared for incoming inventory, contributing to the unit's reaching of its storage capacity. Overflow items are stored at offsite auxiliary locations that do not maintain the same level of security controls and environmental protection as the main Property Unit location (see [Observation C](#)).

For example, 99 out of 141 randomly sampled items (70 percent) of Found Property¹ were still in storage at the Property Unit even though the items had either: (1) expired statute of limitations for an associated offense; (2) no clear offense linked to the item to warrant prolonged storage; (3) exceeded storage lengths established per the Property Unit's *Standard Operating Procedures*;² or, (4) no request for hold of the item by a case detective (see [Exhibit 1](#) on page 3).

¹ *Found Property* is defined by the International Association for Property and Evidence as non-evidentiary property that has been determined to be lost or abandoned and is not known to be connected with any criminal offense. Found Property was sampled for review by auditors due to its nature of low or non-evidentiary value and specified disposal timelines in the Property Unit's *Standard Operating Procedures*.

² The Property Unit's *Standard Operating Procedures* specify disposal of property and guns found property after 61 days when no owner is located, and identification of drug related items for destruction that have been in the Property Unit for over three years.

Exhibit 1:

Evaluation of Found Property Inventory as of July 27, 2020

Category	Storage Justified (%)	Storage Not Justified (%)
Found Property – Guns	28	72
Found Property – Drugs	30	70
Found Property Other than Guns or Drugs	32	68
Average	30	70

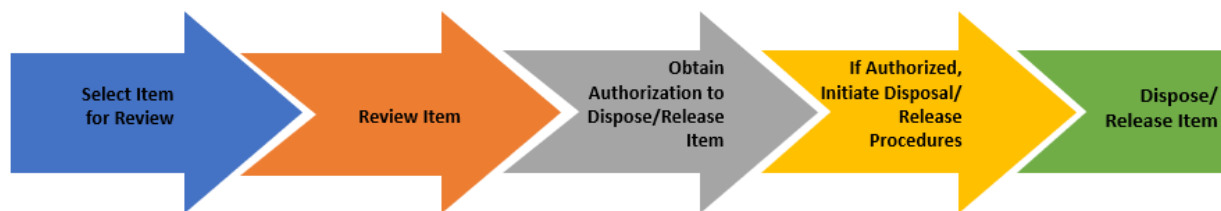
Source: Office of the City Auditor. All items sampled have been stored in the Property Unit over 61 days from tag date.

As of July 27, 2020, there were 148,615 items of Found Property stored in the Property Unit. Applying the sample average of 70 percent of Found Property items with storage not justified yields the potential for 104,031 items of Found Property with storage at the unit not justified and in need of review for disposition or release.

Disposition Process

The Property Unit’s disposition process is a manual process that begins with property unit management selecting items to review for potential disposition based on level of offense. Items with lesser offenses are targeted for review, such as Found Property, panhandling, shoplifting, or graffiti, etc., because they have low evidentiary value. [Exhibit 2](#) shows the main elements of the Dallas Police Department’s disposition process.

Exhibit 2:



Source: Office of the City Auditor

Items selected for review are then reviewed for potential disposition by limited-duty officers or crime technicians using the Dallas Police Department’s case management system. If an item is not known to be associated with a crime, has exceeded a statute of limitations, or has exceeded the length of storage specified in the *Standard Operating Procedures* or other directives, the technician creates a request letter to the assigned detective or investigator to obtain authorization for disposal or release of the item

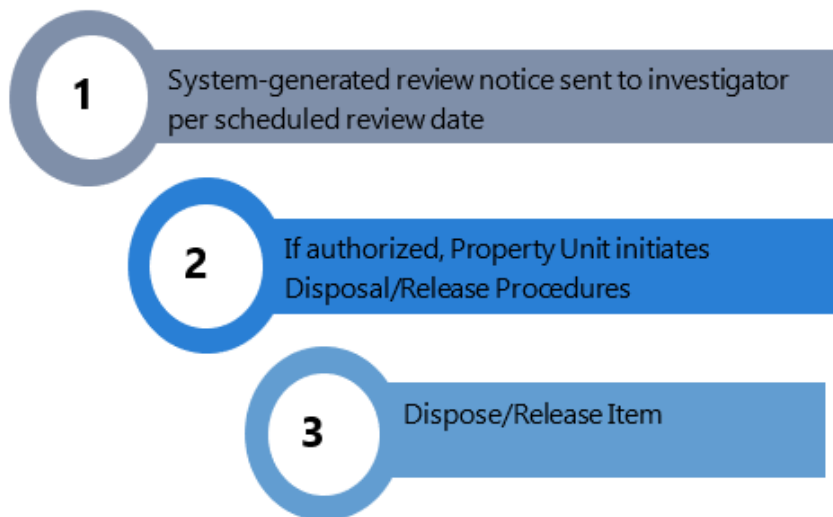
reviewed. If authorization is obtained, the Property Unit initiates the procedures for disposal or release of the item (see [Observation B](#)).

This informal review of items for disposition based on charge, as well as the technician's review and decision-making processes, are not documented in the unit's *Standard Operating Procedures* or other manuals. Therefore, there is no formal guidance for the department personnel to carry out review of items for disposition, and management cannot ensure consistent monitoring of the process.

A survey of peer city police department property units shows that three of five peers³ use a system-generated review and notification process to select inventory items for potential disposition instead of the manual approach used by the Dallas Police Department. Such a review is not limited to lesser offenses, but determined by established review dates, a practice recommended by the International Association for Property and Evidence.

The International Association for Property and Evidence also suggests the most efficient process to review items for disposal is for the property unit to generate a review notice requiring evaluation of the related case for potential item disposition. [Exhibit 3](#) depicts this streamlined approach to item review for potential disposition.

Exhibit 3:



Source: Office of the City Auditor

The Dallas Police Department's *Evidence Manager* can send system-generated notifications to relevant personnel to alert them of expired timelines or review dates and obtain authorization for disposal. However, this notification ability (based on scheduled review dates) is not enabled in *Evidence Manager*.

³ Survey responses received from peer city police department units include the cities of Austin, Columbus, Houston, Philadelphia, and San Antonio.

Criteria

- ❖ *“Professional Standards;”* International Association for Property and Evidence states:
 - *“Law enforcement agencies should have a systematic review process assuring that each item of property and evidence is evaluated for possible purging.”*
 - *“In order to establish an effective purging system, certain criteria must be established to provide guidance in how long property and evidence should be retained before being reviewed... After establishing the time limits that are most suitable for the department, a system should be developed to add a review date to every item of evidence.”*
 - *“The purging process can best be accomplished by requiring an annual review by the assigned case investigating officer. The most efficient process is for the property room to generate a review notice requiring the investing officer to evaluate each case for potential purging.”*
- ❖ Standards for Internal Control in the Federal Government:
 - *Principle 10 – Design Control Activities*
 - *Principle 16 – Perform Monitoring Activities*

Assessed Risk Rating:

High

We recommend the **Chief of Police:**

- A.1:** Revise *Standard Operating Procedures* to schedule review dates for disposition of each category of property and evidence stored at the Property Unit.
- A.2:** Implement a solution for automatically notifying case detectives and investigators to review items for potential disposition based on scheduled review dates for each category of property and evidence.
- A.3:** Revise *Standard Operating Procedures* to ensure management monitoring of personnel’s compliance with revised Standard Operating Procedures related to review and disposition of property and evidence.

Observation B: Dallas Police Department Property Unit – Disposition Procedures

The Dallas Police Department Property Unit does not always dispose of items that have been authorized for disposal or release to the owner by case detectives or investigators per the Property Unit’s disposition process. For example, [Exhibit 4](#) below shows that 23 percent of sampled Found Property was denoted as “Authorized for Disposal” (AFD) in *Evidence Manager* but is still on location in the Property Unit.

Exhibit 4:

Found Property Authorized for Disposal

Category	Items Designated “AFD”	Total Items Sampled	Percent (%)
Found Property – Guns	7	47	15
Found Property – Drugs	6	47	13
Found Property Other than Guns or Drugs	20	47	43
Total	33	141	23

Source: Office of the City Auditor.

As a result, warehouse space is not efficiently cleared for incoming inventory, contributing to the unit’s reaching of its storage capacity.

Furthermore, the Property Unit’s *Standard Operating Procedures* specify disposal of Found Property after 61 days when no owner is located. However, procedures do not establish thresholds of quantity that when met would initiate timely removal or destruction of items as recommended by the International Association for Property and Evidence.

Disposition Standard Operating Procedures

The Property Unit’s *Standard Operating Procedures* regarding the disposition process are outdated and incomplete. As a result, there is:

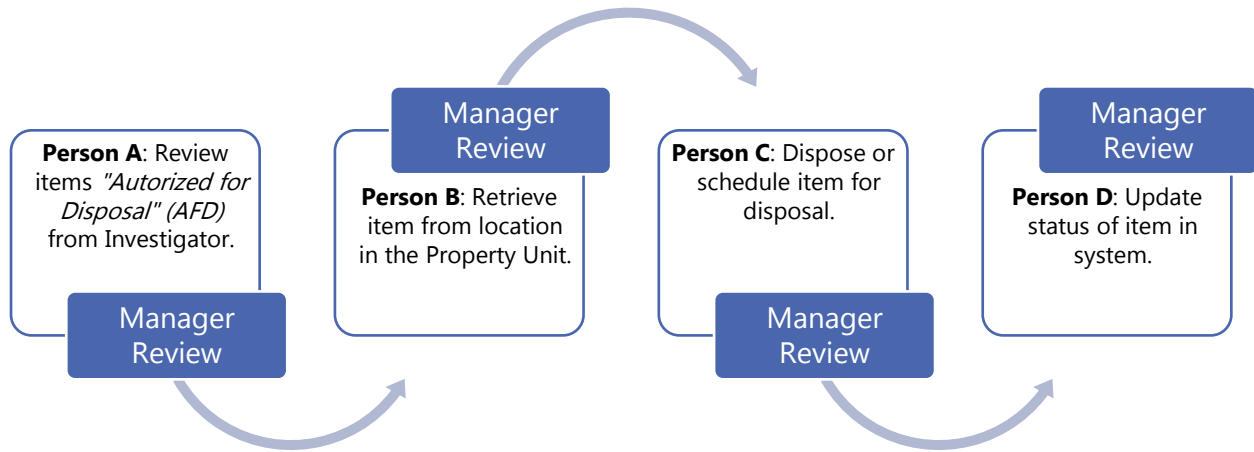
- Missing written guidance for the department personnel to carry out disposition activities.
- No way to ensure consistent and effective management monitoring of the disposition process.

Disposition procedures for property and evidence are described in [Section 410.02](#) of the Property Unit’s *Standard Operating Procedures*. However, there are differences between current disposition procedures

as practiced and the department's *Standard Operating Procedures* as written. Exhibit 5 details the Property Unit's current disposition procedures in practice.

Exhibit 5:

Current Disposition Procedures in Practice⁴



Source: Office of the City Auditor process walkthrough with Property Unit management.

In particular, the *Standard Operating Procedures* do not prescribe:

- Management or other designated personnel's review, monitoring, and quality control performed at each stage of the disposition process. In practice, the Property Unit management or designated personnel review the item authorized for disposal at each stage of the process to prevent disposal or release errors.
- Segregation of duties for disposition activities. In practice, different designated personnel perform each critical activity of the disposition process.

Criteria

- ❖ *"Professional Standards,"* International Association for Property and Evidence states:
 - *"In order to clarify and standardize the procedures for the disposition of... property and evidence, it is imperative that directives be used to guide the operation of an agency's property and evidence handling. Written directives should establish rules that apply to all employees of the agency as they pertain to property and evidence and include such areas as requiring employees to comply with purging and review notices that have been disseminated from the property officer [manager]."*

⁴ "Manager Review" includes review and quality control procedures performed by the Property Unit Manager or designated personnel.

- *“Policy should define a threshold that, when met, will initiate the destruction process. A threshold can be based upon the calendar... or may also be based upon quantity.”*
- ❖ Commission on Accreditation for Law Enforcement Agencies (CALEA) Standard 84 states that a written directive establishes procedures for the final disposition or destruction of found, recovered, and evidentiary property after legal requirements have been satisfied.
- ❖ Standards for Internal Control in the Federal Government:
 - *Principle 10 – Design Control Activities*
 - *Principle 16 – Perform Monitoring Activities*

Assessed Risk Rating:

Moderate

We recommend the **Chief of Police**:

B.1: Update the Dallas Police Department Property Unit's *Standard Operating Procedures* to align with the department's current disposition processes to include:

- Detailed review and quality control procedures
- Management monitoring procedures, and
- Proper segregation of duties for all personnel involved in the process.

B.2: Revise the *Standard Operating Procedures* to define time and quantity thresholds for removal or destruction of inventory items authorized for disposition.

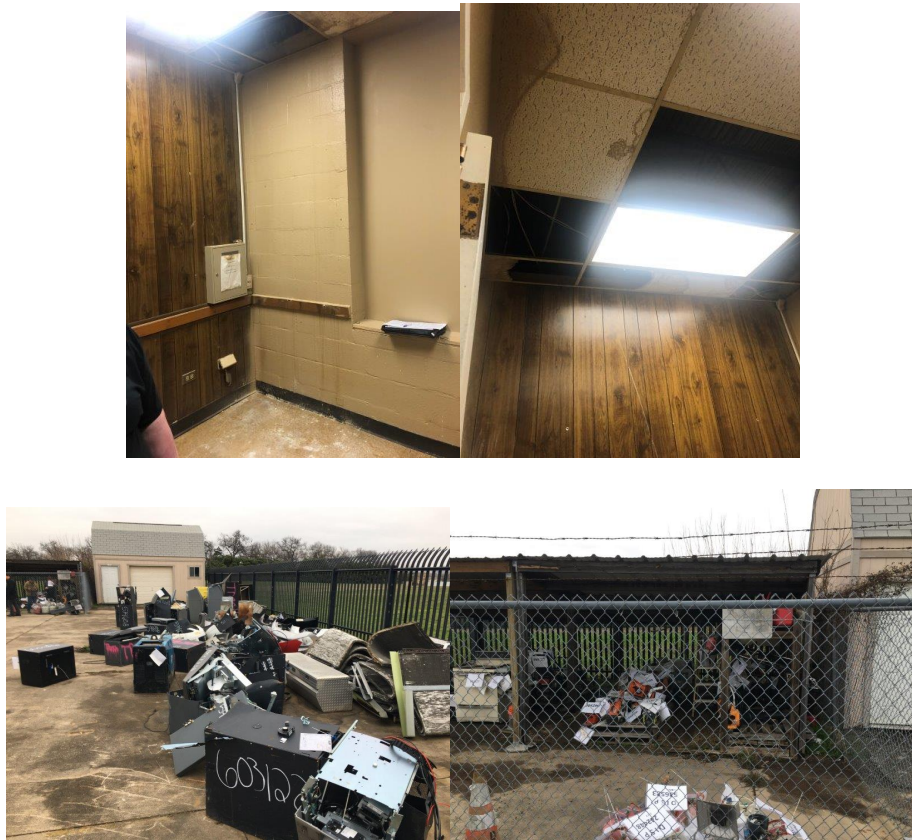
Observation C: Security and Environmental Exposure of Property and Evidence

Some of the property and evidence inventory is stored at locations not suitable for that purpose. As a result, this inventory is exposed to potential theft, tampering, and environmental damage. Property and evidence are stored at a decommissioned patrol station and the Dallas Auto Pound due to space limitations at the main warehouse and because there is no suitable storage at the main warehouse for combustible items, such as gas-powered equipment.

Neither location is equipped with video surveillance equipment to monitor who accesses property and evidence. At the decommissioned patrol station, there are exposed pipes, missing ceiling tiles, and evidence of prior water leaks near areas where property and evidence are stored. At the Dallas Auto Pound, combustible property and evidence is exposed directly to the weather elements. In one area of this location, property and evidence is stored on wood pallets with muddy surroundings from rainwater that floods the area. As a result, heat, cold, humidity, and rain could damage the items rendering them unrecognizable or unusable for evidence purposes.

Exhibit 6:

Observation of Auxiliary Locations



Source: Office of the City Auditor

Due to lack of video surveillance equipment, there is no visual record of who enters these auxiliary locations and accesses the items, which may jeopardize the safety of the property. Video surveillance equipment would also dissuade unauthorized entry without detection. According to Property Unit management, funding for security cameras for the auxiliary locations was requested but has not been approved.

Criteria

- ❖ *“Professional Standards,”* International Association for Property and Evidence states:
 - *“Property facilities should be constructed to provide levels of security that will deny unauthorized entry and provide a safe work environment.”*
 - *“Video surveillance cameras should be utilized whenever enhanced security or a long-term record of ingress, movement, and egress is desired.”*
 - *“Evidence held in the custody of a law enforcement agency should be stored in a manner that facilitates efficient use of space, permits quick retrieval, minimizes safety hazards, prevents cross-contamination, and facilitates conducting an inventory.”*
- ❖ Standards for Internal Control in the Federal Government:
 - *Principle 7 – Identify, Analyze, and Respond to Risks*
- ❖ The Dallas Police Department Property Unit *Standard Operating Procedures* state that the Property Unit is responsible for safeguarding the integrity of property and evidence by maintaining strict security and safety measures.

Assessed Risk Rating:

Moderate

We recommend the **Chief of Police**:

C.1: Ensure property and evidence is protected from potential theft and tampering by installing video surveillance equipment and other protective measures at auxiliary locations to enhance security and maintain a record of access to property and evidence.

C.2: Ensure property and evidence at auxiliary locations is protected from exposure to environmental conditions and potential damage.

Appendix A: Background and Methodology

Background

The Dallas Police Department's Property Unit maintains a centralized location to manage the receipt, storage, transfer, and disposal of property and evidence. Property is also stored at two auxiliary locations apart from the main centralized location: the Dallas Auto Pound and a decommissioned patrol station. According to the Property Unit, it is their mission to *"ensure that all property retained is properly inventoried, packaged, and stored; regardless of its evidentiary value, subsequent release, or disposal."*

The Property Unit is responsible for:

1. Maintaining a system to manage the receipt, storage, transfer, and disposal of property and evidence.
2. Safeguarding the integrity of property and evidence by maintaining strict security and safety measures, proper packaging and storage methods, proper chain-of-custody tracking, current standards and training, and supplies associated with the documentation and storage of property and evidence.

In order to meet these responsibilities, the Property Unit must adhere to various chapters of the Texas Code of Criminal Procedure, including Chapter 12, *Limitation*, and sections of Chapter 18, *Search Warrants* related to disposition of seized property, as well as departmental policies and guidelines regarding the packaging, storage, and disposition of seized or found property and evidence.

Property Unit Organization and Staffing

The Property Unit is headed by a civilian Manager III who reports to a Dallas Police Department Captain that oversees the Property Unit, Auto Pound, Detention Services, and Records/Open Records Divisions. The Captain reports to the Assistant Chief of the Administrative Support Bureau.

The Manager III oversees three separate intake teams, the Gun Team, the Drug Team, the Disposition Team, and the Internal Control Division of the Property Unit. All teams are headed by sworn Sergeants except for the Internal Control Division. A total of 39 personnel, when all vacancies are filled, operate the Property Unit for the Dallas Police Department.

Computer Systems

The Property Unit uses a browser-based inventory management system, *Evidence Manager*, implemented in 2008. This system tracks property and evidence through its life cycle, from intake to release or disposal. Personnel also review case information in the Dallas Police Department's case tracking system, the *Records Management System*, to determine a property and evidence item's potential for disposition or release.

Prior Audits Conducted by the Office of the City Auditor

In Fiscal Year 2008, the Office of the City Auditor completed the Audit of Internal Controls at the Dallas Police Department Property Unit, with a follow-up audit issued in 2009. At the time, auditors concluded that lack of physical space, Evidence Manager functionality, and climate controls for high-risk inventory remained a concern.

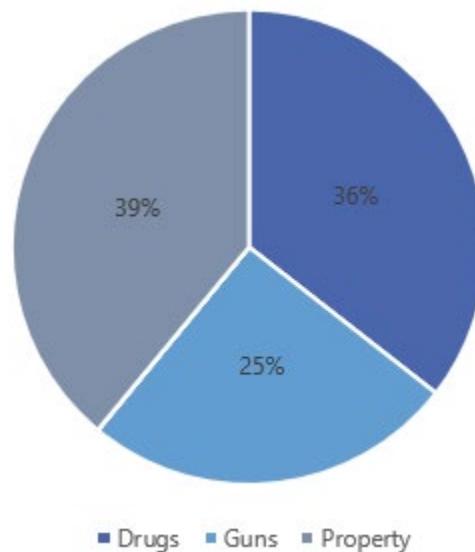
Property and Evidence Aging and Composition

As of July 27, 2020, there were 2,099,222 items of stored property and evidence in Evidence Manager. The following table shows the breakdown of items by classification and age of storage from tag date:

Exhibit 7:

Aging and Composition

Classification	3 Yrs or less	3 to 6 Yrs	6 to 10 Yrs	10 Yrs or Longer	Total Items
Drugs	152,047	153,562	247,474	193,005	746,088
Guns	139,036	94,444	119,439	181,290	534,209
Money	421	173	9	4	607
Property	202,841	196,942	139,794	278,739	818,316
Total	494,345	445,121	506,716	653,038	2,099,220



Source: Evidence Manager Database

Accuracy of Data

The Inspections Unit of the Dallas Police Department Internal Affairs Division conducts periodic inventory, weapons destruction, and deposit bag audits. The Property Unit also conducts internal reviews of property and evidence stored in *Evidence Manger* by selecting specific locations to perform comparisons of data stored in the system to the physical item.

Testing of the reliability of inventory data⁵ tracked in *Evidence Manger* concluded that data elements stored in the system regarding location, tag, and invoice number are reliable.

Methodology

The audit methodology included: (1) interviewing personnel from the Dallas Police Department; (2) reviewing Property Unit's *Standard Operating Procedures*, Dallas Police Department General Orders, applicable local and state laws and regulations, and best practices from the International Association for Property and Evidence; (3) observing the physical location of the Property Unit and auxiliary locations; (4) observing the inventory tracking system, Evidence Manager; and, (5) performing various analyses, including data reliability testing of the Evidence Manager system, evaluation of randomly selected sample items of found property; and comparison of disposition operations to peer property units and best practices.

This performance audit was conducted 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 upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Enrique Fuentes – Auditor
Holly Hart, CPA – In-Charge Auditor
Anatoli Douditski – Audit Manager

⁵ Testing of data reliability in Evidence Manager included random sampling of inventory items stored at the main centralized Property Unit and two auxiliary locations (the decommissioned patrol station and the Dallas Auto Pound).

Appendix B: Management's Response

Memorandum



DATE: March 8, 2021
TO: Mark S. Swann, City Auditor
SUBJECT: Response to Audit of Police Property and Evidence

This letter acknowledges the City Manager's Office received the *Audit of Police Property and Evidence* and submitted responses to the recommendations in consultation with the Dallas Police Department.


We recognize the importance of maintaining an efficient and effective process for managing the receipt, storage, transfer, and disposal of property and evidence. We concur with the City Auditor's observation that DPD has maintained reliability over property and evidence, which we believe is paramount.

While we agree with the recommendations to improve the processes related to reviewing property and evidence for potential disposition, we believe the risk is moderate as the current process has not affected the property's and evidence's reliability.

To improve the current process, DPD has taken several actions, including:

- Adding 6 additional civilian staff to assist with property and evidence, and is in the advanced hiring process for an additional 3 civilian staff;
- Making repairs and adding fencing at the auxiliary locations; and
- Obtaining priority for the procurement of video surveillance equipment with anticipated installation this year.

Additionally, DPD will work to revise the Standard Operating Procedures and will research a solution for automatically notifying detectives to review property and evidence for potential disposition.

Sincerely,

T.C. Broadnax
City Manager

"Our Product is Service"
Empathy | Ethics | Excellence | Equity

C: Kimberly Bizer Tolbert, Chief of Staff
M. Elizabeth Reich, Chief Financial Officer
Jon Fortune, Assistant City Manager
Eddie Garcia, Chief of Police, Dallas Police Department

"Our Product is Service"
Empathy | Ethics | Excellence | Equity

Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/Maturity Date	
High	We recommend the Chief of Police:				
	A.1: Revise <i>Standard Operating Procedures</i> to schedule review dates for disposition of each category of property and evidence stored at the Property Unit.	Agree:	DPD will revise the Standard Operating Procedures to include scheduled review dates for disposition of each category of property and evidence stored at the Property Unit.	06/30/2021	06/30/2022
	A.2: Implement a solution for automatically notifying case detectives and investigators to review items for potential disposition based on scheduled review dates for each category of property and evidence.	Accept Risk:	At this time, due to undetermined feasibility and costs, DPD is unable to agree to implement a solution. However, DPD will research solutions for automatically notifying case detectives and investigators to review items for potential disposition based on scheduled review dates for each category of property and evidence.	N/A	N/A
	A.3: Revise <i>Standard Operating Procedures</i> to ensure management monitoring of personnel's compliance with revised <i>Standard Operating Procedures</i> related to review and disposition of property and evidence.	Agree:	DPD will revise the Standard Operating Procedures to ensure compliance with the revised Standard Operating Procedures related to review and disposition of property and evidence.	06/30/2021	06/30/2022

Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/ Maturity Date
Moderate	We recommend the Chief of Police:			
	<p>B.1: Update the Dallas Police Department Property Unit's <i>Standard Operating Procedures</i> to align with the department's current disposition processes to include:</p> <ul style="list-style-type: none"> Detailed review and quality control procedures Management monitoring procedures, and Proper segregation of duties for all personnel involved in the process. 	<p>Agree: DPD will update the unit's Standard Operating Procedures to align with the current disposition processes.</p>	06/30/2021	06/30/2022
	<p>B.2: Revise the <i>Standard Operating Procedures</i> to define time and quantity thresholds for removal or destruction of inventory items authorized for disposition.</p>	<p>Agree: DPD will update the unit's Standard Operating Procedures to define time and quantity thresholds for removal or destruction of inventory items authorized for disposition.</p>	06/30/2021	06/30/2022
Moderate	We recommend the Chief of Police:			
	<p>C.1: Ensure property and evidence is protected from potential theft and tampering by installing video surveillance equipment and other protective measures at auxiliary locations to enhance security and maintain a record of access to property and evidence.</p>	<p>Agree: The City has gathered quotes for video surveillance equipment and DPD has confirmed funding is available for cameras. Additionally, the property and evidence facilities have been recognized as a priority for the deployment of video surveillance equipment. DPD is currently in the procurement phase and anticipates the video surveillance equipment will be procured, installed, and functioning this year.</p>	12/31/2021	12/31/2022

Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/ Maturity Date
	<p>C.2: Ensure property and evidence at auxiliary locations is protected from exposure to environmental conditions and potential damage.</p>	<p>Agree: DPD has added fencing to the auto pound auxiliary location and made roof repairs to address water damage at the decommissioned patrol station auxiliary location. DPD will continue to work on ensuring an appropriate environment for property and evidence at auxiliary locations.</p>	<p>12/31/2021</p>	<p>12/31/2022</p>