

Norfolk Police Department
Inventory Management of the Property and
Evidence Unit

June 4, 2018



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Honorable Council Members

Subject: Inventory Management of the Property and Evidence Unit-Norfolk Police Department (Audit Report No. 18-3R)

The attached report contains the results of our audit of the Norfolk Police Department, Property and Evidence Unit (PEU). We focused on the inventory management of the items maintained by the unit. Our report noted the disposal of firearms as an area needing improvement for which we made recommendations. We met with PEU management on February 20, 2018 and provided the results of our audit. Management concurred with our observations and recommendations and provided its responses, which are included in this report. We appreciate the courtesies and cooperation extended to us during the audit by the department.

Respectfully submitted,

John H. Sanderlin, Jr.

John H. Sanderlin, Jr., CPA, CIA, CGFM, CFE, CGMA
City Auditor

Norfolk Police Department
Inventory Management of the
Property and Evidence Unit

City of Norfolk
Office of the City Auditor
 John Sanderlin, Jr., CPA, CIA, CGFM, CFE, City Auditor
 Kim Rubin, CPA, CFE, Deputy City Auditor
 Bradford Smith, CFE, CICS, Deputy City Auditor
 Claude Bogues, CPA, CFF, Assistant City Auditor
 Lonnie Green, Assistant City Auditor
 Sheryl Potter-Griggs, Assistant City Auditor
 Sylvia Martin, Assistant City Auditor
 Jennifer Speight, CCEP, Assistant City Auditor

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Executive Summary

The Property and Evidence (PEU) Unit of the Norfolk Police Department is responsible for managing property and evidence acquired by Norfolk Police officers and the disposition of the evidence upon the completion of the judicial proceedings as approved by the Commonwealth Attorney’s Office. These items may consist of contraband, stolen property, and lethal weapons—anything associated with the commission of a crime from a car bumper to a torn and stained shirt. At the time of our audit, PEU was responsible for over 50,000 items, some of which, due to unresolved criminal cases, will be stored permanently. The custodianship of items and the related critical importance of the chain of custody form the basis of the PEU operation.

Property and evidence can include, but not limited to items such as money, drugs, guns, clothing, electronics, needles, pens, slip of paper, or any other evidence seized during the admission of a crime. PEU is accountable to the judicial process as well as the State of Virginia for reporting and submitting unclaimed property.

As a part of our FY 2015 and 2016 audit plan, we conducted an audit of Norfolk’s Police Department Property and Evidence Unit. Because of staff shortages and other priorities, our office was delayed in issuing this report. The overall objective of the audit was to determine the effectiveness of PEU management controls in the performance of its duty.

Based on our audit, we conclude that overall PEU has an effective management control system in place to provide reasonable assurance the unit is achieving its goals and objectives. However, we did note an opportunity to improve the disposition of firearms by:

- (1) establishing a written contract for the firearm disposition services.
- (2) providing accurate and complete documentation for the disposition of firearms in accordance with the Norfolk Police Department Standard Operating Procedure.

Background

PEU is a unit of the Central Records Division of the Norfolk Police Department, (NPD). In this role, the unit is responsible for managing property and evidence acquired by Norfolk Police officers and the disposition of the evidence upon the completion of a case as approved by the Commonwealth Attorney’s Office. The types of evidence vary in nature such as drugs, firearms, money, electronics, clothing items, pens, pencils and other items that were seized because of a crime or found by police and waiting to be claimed by the owner. PEU is also responsible for providing police personnel equipment (uniforms, badges, etc.), maintaining the appropriate types and numbers of forms used by the various police commands, and scheduling the calibration of police vehicle speedometers. PEU stores items at a main location with a high level of security. Additional items of a bulky nature and with a lower risk for theft, for example a car bumper, are stored at an offsite location. PEU staff consist of four sworn police officer’s and five civilian positions.



NPD uses a police enterprise management system called I/LEADS. I/LEADS is a modular system implemented by the department in fiscal year 2000 and the department began using it for property and evidence management in December 2011. Prior to that time, NPD used a Microsoft Access database system to manage PEU inventory. This database system is in continuous use to manage evidence that was seized and logged prior to implementing I/LEADS.

Objective, Scope and Methodology

Our overall audit objective was to determine the effectiveness of management controls over the Norfolk Police Department Property and Evidence Unit (PEU). Our audit covered fiscal year 2015. We conducted tests of records and performed other audit procedures, as we deemed necessary. Specifically, we performed the following to accomplish the audit objective:

- Reviewed applicable state and city codes that govern PEU;
- Reviewed Norfolk Police Department General Orders and Standard Operating Procedures as related to the operations of PEU;
- Reviewed the Commission on Accreditation of Law Enforcement Agencies (CALEA) standards and the Virginia Law Enforcement Accreditation Program Manual as related to the operations of PEU;
- Interviewed PEU staff to gather an understanding of processes in place to support property and evidence management;
- Judgmentally selected a sample of inventory records, and traced them to physical items on hand to verify existence; and

- Observed four examples of bulk inventory disposition processes (destruction of firearms, submission of items for online auction sale, remittance of unclaimed cash to the State, and destruction of narcotics) to assess implementation of the processes.

We obtained an understanding of internal control that was significant within the context of the audit objective. We assessed whether internal control was properly designed and implemented and performed procedures to obtain sufficient evidence to support the effectiveness of those controls. We further assessed that the information in the I/LEADS police enterprise management system was reliable and determined that the data could answer the audit objective, as we performed assessments of the data relevant to our audit. The extent of our assessment was depended on the expected importance of the data to the final report, strengths or weaknesses of any corroborating evidence, and anticipated level of risk in using the data.

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.

Conclusion

The Property and Evidence Unit (PEU) of the Norfolk Police Department plays an important role to protect and preserve property that is waiting to be claimed by the owner or evidence that is used in the judicial process. Therefore, it is essential that management have the controls in place to ensure and maintain the chain of custody of these items by providing the required security and control of the evidence area.



Our overall assessment is that management controls over property and evidence appears adequate to mitigate foreseen risks. We noted that the unit has physical controls in place to ensure property and evidence are stored in highly secured areas. Visitors are required to sign-in and escorted by assigned personnel at all times. We also noted that the disposition process is handled under dual control. PEU personnel pulled the evidence for disposition using two or more employees. Therefore, we did not observe an opportunity for staff to circumvent the processes and use the property and evidence for personnel gain or use. In addition, the Commonwealth Attorney's Office flagged evidence for disposal and the Norfolk Police Department Detectives identified evidence for disposal in the I/LEADS system or manually in the evidence log from the ACCESS database system. The use of ILEADS¹ is a significant system improvement as an automated method to account for changes in the custody and disposition of evidence, which are critical aspects of PEU inventory management. Also, I/LEADS, is a significant system improvement for data entry and the retention and retrieval of information.

Although controls were generally functioning as they should, our audit revealed weaknesses in the accountability of the disposition or destruction of firearms that warrants management attention. First, we noted there is no written contract to support the firearms destruction service provided to PEU. In the past, a local waste facility provided disposal of firearms as a contracted fee-paid service (typically less than \$500 per occurrence). To reduce costs, in 2015 PEU switched to a Norfolk vendor, who performed this function as a public service at no charge. However, there was no written agreement to support this arrangement and, we understand, no commitment on the part of PEU to continue to use this vendor. While there is no apparent tangible benefit to the vendor other than the relatively small

amount of scrap material involved (potentially less in value than the cost to the vendor to provide the service), provisions of the Virginia Public Procurement Act (VPPA) apply to this type of governmental procurement of service. Although we acknowledge PEU's efforts to reduce costs and the vendor's willingness to provide the free service, as a public agency in the State of Virginia, the city must follow these procurement regulations, which result in openness in the vendor selection process.

Secondly, officers did not follow the Department's Standard Operating Procedure (SOP) for the firearms destruction process. Specifically, firearms noted as destroyed on the Firearms Destruction Affidavit signed by the service provider and the witnessing police officers were not destroyed in the initial process. PEU segregated six firearms approved for destruction on May 27, 2015 to use as historical display items pending approval by the Chief of Police. However, these firearms remained on the disposition (destruction) list and should have been identified and approved by the Police Chief prior to being placed on the list. The Firearms Destruction Affidavit signed by the service provider and the witnessing police officers, dated May 27, 2015, indicated that 353 firearms were destroyed. However, the supporting listing showed 347 firearms (353 less the six items held out). According to the Norfolk Police Department SOP Section IX Property and Evidence, "After the guns have been destroyed, a gun destruction receipt will be completed and signed by both of the police officers (minimum of two required by the procedure) and the person in charge of the private company's equipment."

During follow-up questioning, the officers informed us that the PEU Officer in charge subsequently ordered the destruction of the six firearms and this occurred on June 17, 2015. We verified this in the I/LEADS. However, the department did not correct the

¹ I/LEADS is an enterprise management system used for property and evidence management.



original affidavit of May 27, 2015 to reflect the actual total of firearms destroyed and a second affidavit was not prepared for the six firearms destroyed on June 17, 2015. Accordingly, by their inclusion in the May 27, 2015 total, the firearms were documented as destroyed when they were not and the subsequent destruction of the six firearms was not supported by another affidavit.

We recommend the Police Department:

1. Coordinate with the Purchasing Division of the Department of Finance to ensure the firearm disposal process complies with VPPA requirements.

Management's Response:

Upon first notice of non-compliance, the Property & Evidence Unit facilitated a 5-year contract (CT17015) effective 080116 through 073121.

2. Implement processes to ensure disposition of firearms procedures are followed and documentary support accurately reflects asset disposition activities.

Management's Response:

PEU has put into effect the following oversight measures;

- It shall be mandatory for the PEU Executive Officer to be present for and take part in the firearms destruction process.
- The Firearms Disposal Affidavit has been revised to include a signature block for the PEU Executive Officer.
- All affected PEU personnel have received a briefing on the above changes, which have been immediately implemented and which will also ensure the accuracy with which all future firearms destructions are conducted and documented.