

# STATE OF MINNESOTA

## Office of the State Auditor



**Rebecca Otto**  
**State Auditor**

---

**SOUTH CENTRAL GANG AND  
DRUG TASK FORCE  
OWATONNA, MINNESOTA**

**AGREED-UPON PROCEDURES**

October 16, 2013

## **Description of the Office of the State Auditor**

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

**Audit Practice** - conducts financial and legal compliance audits of local governments;

**Government Information** - collects and analyzes financial information for cities, towns, counties, and special districts;

**Legal/Special Investigations** - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

**Pension** - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

**Tax Increment Financing** - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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

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

**SOUTH CENTRAL GANG AND  
DRUG TASK FORCE  
OWATONNA, MINNESOTA**

**October 16, 2013**



**Agreed-Upon Procedures**

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

This page was left blank intentionally.



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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

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

## INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Kristin Lail, Grants Coordinator  
Minnesota Department of Public Safety

Oversight Committee  
South Central Gang and Drug Task Force

We have performed the procedures enumerated below, which were agreed to by the Minnesota Department of Public Safety and the South Central Gang and Drug Task Force, solely to assist you in determining that the South Central Gang and Drug Task Force followed policies and procedures regarding accounting for seized funds and property and related forfeitures and the use of confidential/drug buy funds. These procedures were applied to the South Central Gang and Drug Task Force records for the 11-month period ending August 31, 2013. The South Central Gang and Drug Task Force's management is responsible for the records of the Task Force. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Minnesota Department of Public Safety and the South Central Gang and Drug Task Force. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. Procedure

Determine that seized funds and property and related forfeitures are accounted for in accordance with policies, procedures, and regulations.

## Findings

We obtained a listing of all property seized subject to forfeiture for the 11-month period ending August 31, 2013. The 16 cases on the list included cash, firearms, and vehicles. We selected 4 cases for testing. All 4 cases included cash, 2 cases included vehicles, and one included firearms. We traced the documentation of the activity for each selected item from the point of seizure to the record of the item being held in forfeiture pending judicial order or to the forfeiture record for closed cases, as applicable. We noted the following:

- The policy identified in 3-14.5.2 of the Multijurisdictional Task Force Operating Procedures and Guidelines Manual requires a Seized Evidence Currency Log to be completed at the scene and that a copy of this log be placed in the case file for seized cash. During our review, we noted one cash seizure where the original currency log was not included in the case file. A memo in the case file stated that the original cash count, as documented on the log, was \$680 less than the actual amount seized. Once the error was discovered, the cash was recounted and a new currency log was completed and placed in the file in place of the original.

## 2. Procedure

Determine that the use of confidential/drug buy funds is accounted for in accordance with policies, procedures, and regulations.

## Findings

We obtained a listing of all purchases made with buy funds for the 11-month period ending August 31, 2013. Buy funds are withdrawn by each investigator through the use of ATM cards. Buy funds are generally used for payments to confidential informants (CI) for information and/or services, drug purchases, and flash money. We selected 11 of the 115 items on the list to trace the documentation of activity from the point of withdrawal of buy funds to approval. Of the 11 items selected, 2 were payments to CIs for information, 2 were payments to CIs for services, 2 were purchases of undercover phones, and 5 were payments for purchases of drugs. All items tested were accounted for in accordance with policies, procedures, and regulations.

\* \* \* \* \*

During the course of performing our agreed-upon procedures, other matters came to our attention that were outside the requirements of the Minnesota Department of Public Safety Multijurisdictional Task Force Operating Procedures and Guidelines Manual and the Task Force Policies and Procedures but were important enough to report. We noted the following:

- It is the Task Force's practice to obtain a signature from the owner when seized vehicles are returned. For one of the items tested, the Task Force included a memo in the case file documenting that the vehicle was returned to the owner, but no signature was obtained. Upon inquiry, the Commander stated that this practice was implemented as a result of a review performed by the Minnesota Department of Public Safety, but was put into place after the item tested had been completed. The Task Force has not returned a vehicle since the new practice was implemented.

\* \* \* \* \*

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Minnesota Department of Public Safety and the South Central Gang and Drug Task Force and is not intended to be, and should not be, used by anyone other than those specified parties.

*/s/Rebecca Otto*

REBECCA OTTO  
STATE AUDITOR

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

October 16, 2013