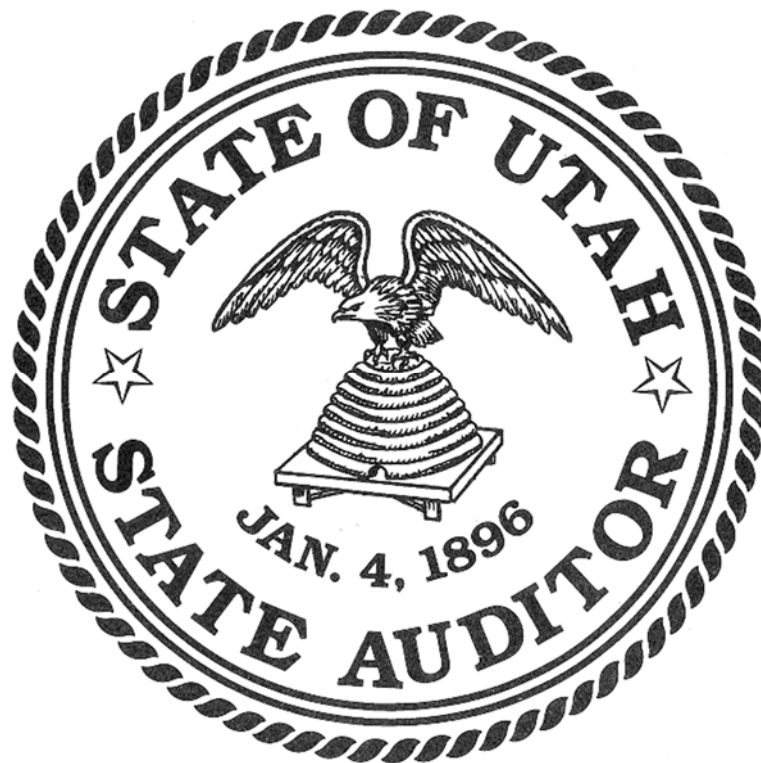


# Performance Audit No. 19-02

## A Review of Property and Evidence Storage and Management Among Selected Utah Law Enforcement Agencies

May 1, 2019



### OFFICE OF THE STATE AUDITOR

**Leadership:** John Dougall, State Auditor; Leif Elder, MPA; Jim Phelps

**Staff:** Michael Arnell, CIA; Stephanie Dossena, MPA; Amanda Laws, MPA

**Page Left Blank Intentionally**

# Table of Contents

---

---

<b>Table of Contents</b> .....	<b>iii</b>
<b>Background</b> .....	<b>1</b>
<b>Finding 1: Some Property Records Did Not Match Actual Property Storage</b> .....	<b>3</b>
Agencies Have Not Safeguarded All Property in Their Possession .....	3
Recommendations .....	5
<b>Finding 2: Law Enforcement Agencies Had Inadequate Controls Over Property Storage</b> .....	<b>6</b>
Failure to Conduct Regular Inventories and Annual Audits.....	6
Access to Inventory Not Properly Controlled or Documented.....	7
Lack of Alarm or Surveillance Systems in Property Rooms .....	8
Recommendations .....	8
<b>Finding 3: Insufficient Controls for Property Disposal</b> .....	<b>9</b>
Sampled Agencies are not Sufficiently Documenting the Disposal of Controlled Substances.....	9
Some Sampled Agencies are Stockpiling Money Rather than Depositing Money as Required by Statute.....	10
Lack of Controls Around Returning Found Property to Owner or Finder.....	11
Recommendations .....	12
<b>Finding 4: Law Enforcement Agencies Are Not Issuing Receipts to Owners of Seized Property as Required by State Statute</b> .....	<b>13</b>
Recommendations .....	14
<b>Finding 5: Inadequate Controls Regarding Access to Digital Property Records</b> .....	<b>15</b>
Terminated Law Enforcement Employees Retained User Accounts with Access to Digital Property Records .....	15
Law Enforcement Agencies Have Not Implemented Separation of Duties Regarding the Custody and Recording of Property .....	16
Recommendations .....	17
<b>Appendix A</b> .....	<b>18</b>

**Page Left Blank Intentionally**

# Background

---

---

Utah statute authorizes a peace officer (officer) to take possession of evidence and other property through various means, including seizing property related to a crime or public safety,<sup>1</sup> receiving firearms for safekeeping,<sup>2</sup> and finding or receiving lost or mislaid property.<sup>3</sup> Examples of property taken into custody include money, weapons, controlled substances, drug paraphernalia, motor vehicles, bicycles, jewelry, clothing, biological evidence, and phones.

Property owners, prosecutors, and other interested parties expect a law enforcement agency (agency) to take measures that provide reasonable assurance that property in the possession of the agency is secured, tracked, and maintained. Additionally, state statute requires agencies to hold seized property “in safe custody” and maintain “a detailed inventory of all property seized.”<sup>4</sup> Securing, tracking, and maintaining property ensures the integrity of property held as evidence and enables the safe return of property to owners.

To provide reasonable assurance that property is kept safe, an agency should establish appropriate management controls and procedures. For example, state statute requires an agency to provide a receipt to a person from whom the officer seizes property.<sup>5</sup> The receipt provides a record, for both the property owner and the agency, of what property the officer seized. When the agency no longer needs the property, the receipt facilitates the return of the property to the owner. Other controls and procedures might address the process for recording and inventorying property, security measures such as access to property and surveillance requirements, and disposing of property. Failure to provide adequate management controls and procedures can lead to lost, stolen, or compromised property as well as a loss of public trust.

For the purpose of this report, "property" refers to all items an officer assumes possession of, including but not limited to, found property, items retained for safekeeping, items seized for evidentiary or forfeiture purposes, or contraband.

The objective of this review was to determine to what extent agencies have established appropriate controls over property, including evidence, with particular emphasis on money,<sup>6</sup> firearms, and controlled substances.<sup>7</sup> We reviewed seven agencies (See Figure 1), checking each

---

<sup>1</sup> See Utah Code § 24-2-102.

<sup>2</sup> See Utah Code § 53-5c-201.

<sup>3</sup> See Utah Code Title 77, Chapter 24a, Lost or Mislaid Personal Property.

<sup>4</sup> See Utah Code § 24-2-103(2).

<sup>5</sup> See Utah Code § 24-2-103(1).

<sup>6</sup> For purposes of this review, money includes all of the cash, coinage, and checks possessed by the property function of an agency.

<sup>7</sup> For purposes of this review, a controlled substance means a substance that is unlawful to produce or to possess under state or federal law.

agency’s controls, policies, and procedures for compliance with applicable state statutes and application of industry best practices.<sup>8</sup>

**Figure 1 Law Enforcement Agency Statistics**

Agency	Population of Jurisdiction	Agency Budget	Number of Property Items	Full-Time Police Officers	Full-Time Property Technicians	Part-Time Property Technicians
A	60,000 to 90,000	\$1,000,000 to \$5,000,000	2,000 to 6,500	10 to 20	0	1
B	0 to 30,000	\$1,000,000 to \$5,000,000	2,000 to 6,500	10 to 20	0	1
C	60,000 to 90,000	\$20,000,000 to \$25,000,000	Greater than 40,000	Greater than 100	2	0
D	0 to 30,000	\$5,000,000 to \$10,000,000	2,000 to 6,500	20 to 30	0	5
E	30,000 to 60,000	\$5,000,000 to \$10,000,000	2,000 to 6,500	30 to 40	1	0
F	30,000 to 60,000	\$5,000,000 to \$10,000,000	2,000 to 6,500	30 to 40	0	2
G	Greater than 90,000	\$20,000,000 to \$25,000,000	Greater than 40,000	Greater than 100	6	0

<sup>8</sup> To determine applicable best practices, auditors reviewed industry standards, recommendations, and procedures from, among other entities, the International Association for Property and Evidence (IAPE); the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA); and other states. We primarily rely on standards from the IAPE, which “is a non-profit organization created by and for law enforcement professionals to help establish recommended standards for all property and evidence departments” (see [home.iape.org/about-us/about-us.html](http://home.iape.org/about-us/about-us.html)).

# **Finding 1**

## **Some Property Records Did Not Match Actual Property Storage**

---

---

Agencies should adequately maintain inventory records that track and record each item from receipt to disposal.<sup>9</sup> In comparing property records with property actually on hand, we discovered the following discrepancies:

- Missing items;
- Misplaced items;
- Items marked as destroyed but still in inventory; and
- Items destroyed but shown in inventory.

Inaccurate inventory records not only erode public trust but also may diminish the ability to prosecute past, current, or future cases. For example, failure to keep accurate records could lead to property being unavailable for legal proceedings, potentially forcing the court to dismiss the case. Additionally, money, firearms, and controlled substances could be lost, stolen, or misused, which could pose a danger to the public's safety. Agencies should tighten their policies and procedures for property handling from the point of taking possession of an item to its final disposition.

### **Agencies Have Not Safeguarded All Property in Their Possession**

---

---

Agencies have the responsibility to safeguard seized property and document an item's chain of custody.<sup>10</sup> To do this, agencies should implement controls and processes that ensure property technicians properly record and track property.<sup>11</sup> An agency's ability to locate property in a timely manner is critical to operating an efficient and effective property room. For example, accurate inventory records facilitate providing evidence for court proceedings in a timely manner or returning property to the rightful owner.<sup>12</sup>

We found that sampled agencies did not adequately safeguard all of the property in their custody. Figure 2 shows the categories where the inventory records did not match the actual inventory on the shelves; specifically we looked at money, firearms, and controlled substances at each agency.

---

<sup>9</sup> IAPE Standard 4.1: Documentation – Property Report

<sup>10</sup> Utah Code 24-2-103(1)(a)

<sup>11</sup> Utah Code 24-2-103(2)

<sup>12</sup> IAPE Standard 4.1: Documentation – Property Report

Figure 2 Missing and Misplaced Money, Firearms, Controlled Substances, and Drug Paraphernalia by Agency<sup>13</sup>

Inconsistent Categories	Agency						
	A	B	C	D	E	F	G
Missing items	55	2	10	66	0	0	6
Misplaced items	40	28	50	51	5	3	21
Items marked destroyed but still in inventory	5	5	10	1	7	0	0
Items destroyed but shown in inventory	12	10	97	23	8	18	3
<b>Total</b>	<b>112</b>	<b>45</b>	<b>167</b>	<b>141</b>	<b>20</b>	<b>21</b>	<b>30</b>

### Missing Items

Missing items are items for which an agency could not find or adequately account for its disposition. Items determined to be missing included drug paraphernalia, marijuana, heroin, pills, mushrooms, cocaine, methamphetamines, money, and a firearm. Agency officials surmised that some of the missing items may have been destroyed, disposed, transferred to other agencies, or returned to owners without appropriate supporting documentation. Given the lack of inventory records and documentation of inventory disposition, we were unable to determine if items were missing due to poor recordkeeping, theft, or some other reason. Figure 3 shows a breakdown of missing items by agency.

Figure 3 Missing Items

Agency	Money	Firearms	Controlled Substances	Drug Paraphernalia	Total
A	3	0	36	16	55
B	0	0	1	1	2
C	0	1	9	0	10
D	0	0	29	37	66
E	0	0	0	0	0
F	0	0	0	0	0
G	0	0	3	3	6

### Misplaced Items

A misplaced item is an item that property technicians eventually located but was missing from the location indicated on the inventory record. We found that all sampled agencies had misplaced

<sup>13</sup> As shown in Figure 1, agencies A, B, D, E, and F have between 2,000 and 6,000 total property items while agencies C and G have more than 40,000 total property items. Due to limitations of agencies' record management systems, the majority of agencies could not provide the total number of items classified as controlled substances, money, or firearms.



items. In the course of our review, we also identified items that agencies mislabeled with an incorrect barcode or case number. We identified human error and weak policies and procedures as a major cause of items being mislabeled or misplaced. The number of mistakes increased in agencies with part-time or collateral assignment technicians.<sup>14</sup>

**Items Marked with an Incorrect Disposition**

We identified several items in the agencies’ possession that had been incorrectly marked in their databases as destroyed, purged, or released. This situation is of particular concern because items improperly marked as destroyed or released could be easy targets for misuse or pilferage. Assigning a second person to verify the items to be properly released or destroyed can mitigate this issue. Items should not be documented as destroyed until the actual destruction has occurred.<sup>15</sup>

We also found several items listed on the current inventory list that had been destroyed, converted to agency use, or released to the owner (See Figure 4).

Figure 4 Incorrect Disposition

Items marked destroyed but still in inventory	Items were disposed of but still shown in inventory
Ammunition, black bottle with an unknown liquid, drug paraphernalia, knives, marijuana, methamphetamine, money, pills, a powder substance, rifle, and revolver.	Ammunition, cocaine, drug paraphernalia, Glock magazine, handguns, heroin, jewelry, marijuana, marijuana plants, methamphetamine, money, pills, rifles, and shotguns.

**Recommendations**

We recommend that agencies:

1. Implement policies and procedures that are specific and detailed for handling property, from taking possession of an item through its final disposition.
2. Be able to provide documentation and verification of every step in the destruction process.
3. Ensure staff have sufficient resources to adequately manage property.

<sup>14</sup> A collateral assignment is when an agency employee with a full-time assignment (e.g. detective, dispatch, etc.) is given another duty, such as maintaining the property and property room, in addition to their full-time work.

<sup>15</sup> IAPE Standard 9.7: Drugs – Destruction Documentation

## Law Enforcement Agencies Had Finding 2 Inadequate Controls Over Property Storage

Agencies should implement management controls to provide reasonable assurance regarding the security and integrity of facilities used to store property.<sup>16</sup> In our review of seven agencies, we found weak controls and, in some cases, a lack of controls over property storage (See Figure 5). Specifically, we found that some sampled agencies failed to:

- Perform regular inventories;
- Control or document access to property rooms; and
- Implement sufficient security measures such as cameras and alarms.

These issues were recurrent throughout multiple agencies and result in an increased risk that property could be lost, stolen, or tampered with.

**Figure 5** Controls for Property Storage Rooms by Agency

Agency	Previous Full Inventory Completed	Access Log	Unauthorized Individuals <sup>17</sup> Have Access	Method of Entry	Alarm and Surveillance
A	Yes	Yes	No	Hard key and biometrics	Camera only
B	Partial only	No	Yes	Hard key or personnel card	Camera only
C	No	No	Yes	Hard key or key pad	Camera and alarm
D	Partial only	Yes	No	Personnel card	None
E	Partial only	Yes	No	Hard key and personnel card	Camera only
F	Yes	No	No	Hard key and personnel card	Camera only
G	Partial only	Yes	No	Hard key, personnel card, and biometrics	Camera only

### Failure to Conduct Regular Inventories and Annual Audits

According to the International Association for Property and Evidence (IAPE), agencies that conduct regular inventories are far less likely to experience an internal loss of property or evidence.<sup>18</sup> A comprehensive audit, including a review of policies and procedures, of the property and evidence function is an important internal control that agencies should conduct at least

<sup>16</sup> IAPE Standard 8.1: Security -- Policy

<sup>17</sup> An unauthorized individual is anyone who can access the property room without the aid of a property technician or supervisor.

<sup>18</sup> IAPE Standard 15.1: Inventories

annually. Additionally, supervisors or unit commanders who oversee the property function should regularly inspect property rooms.<sup>19</sup>

Four of the sampled agencies had never conducted a complete inventory of their respective property rooms, although they had conducted limited inventories. Agencies E and G last inventoried their respective drug rooms five years ago. Agency D had an inventory of its money, firearms, controlled substances performed by a different agency in 2013. Agency B last performed an inventory spot check in January 2018, but had never conducted a complete audit of its property room.

Agency C had never conducted an inventory, but was the only agency to have completed a comprehensive audit of agency procedures. Agency F's current custodians were unaware of when the last inventory or audit occurred, but are currently in the process of performing a complete inventory (See Figure 5).

### **Access to Inventory Not Properly Controlled or Documented**

According to IAPE standards, agencies should closely control access to property storage areas to prevent alteration, unauthorized removal, or theft of property or evidence. Restricted access will also help agencies protect the proper chain of custody. Agencies should permit access to storage areas only by property technicians and their supervisors. When other people enter property facilities, the name of the person and reason for entry should be logged, and property technicians should provide an escort.<sup>20</sup> IAPE standards recommend that supervisors review the access log on a regular basis, at least monthly, and should inspect logs as part of periodic inventory audits. Because missing property may not be readily discovered, agencies should maintain access logs for several years.<sup>21</sup>

Additionally, agencies should enforce multiple entrance requirements to secure the property room. Multiple entrance requirements are especially important when a hard key is used because hard keys do not create an audit trail.<sup>22</sup> Agency G was exemplary in this area, requiring a hard key, personnel card, and biometric identification for access to the property room (See Figure 5).

Regarding controls for entry to the property room, we found the following:

- Three sampled agencies (B, C, and F) did not maintain access logs;

---

<sup>19</sup> IAPE Standard 15.2: Audits and Inspections

<sup>20</sup> IAPE Standard 8.1 and 8.2: Security – Policy, Access

<sup>21</sup> IAPE Standard 8.3: Security – Access Logs

<sup>22</sup> IAPE Standard 8.5: Security – Key Control/Electronic Access Control

- At two sampled agencies (B and C), it is possible for individuals other than property technicians and supervisors to have unrestricted access to the property room;<sup>23</sup>
- Three sampled agencies (B, C, and D) did not have multiple requirements to enter the property room (e.g. personnel card, biometric identification, hard key, etc.).

## **Lack of Alarm or Surveillance Systems in Property Rooms**

---

An alarm system and surveillance cameras are critical to maintaining public confidence in law enforcement because these systems demonstrate that only authorized personnel are allowed in high-risk areas.<sup>24</sup> Alarm and surveillance systems serve to further protect an agency and preserve the chain of custody. The lack thereof results in unauthorized individuals being able to access the property room undetected. IAPE recommends that surveillance systems have three to four years storage capacity.<sup>25</sup> Several of the agencies we reviewed kept their footage for a year or less.

Agency C was the only agency we reviewed that had an alarm system in its property room. All but one of the sampled agencies had cameras in their respective property rooms (See Figure 5). It is critical that property room cameras be able to record all individuals who enter the room, as well as the entire premises of the room itself.

## **Recommendations**

---

We recommend that agencies:

1. Perform an inventory annually, or whenever a change in key-holding personnel or executive officer is made. These inspections should be conducted by a person who does not have responsibilities within the property unit.
2. Conduct regular inspections by the supervisor or unit commander.
3. Require anyone that is not assigned to the property unit, to sign and date an access log.
4. Ensure that each property room has an adequate video surveillance system, including perimeter alarms, motion sensors, and suitable storage capacity.
5. Implement multiple entrance requirements, including at least one that provides an audit trail, in order to gain access to the property and property room.

---

<sup>23</sup> At both of these agencies, an individual only needs to have a hard key to gain access to the property room. Property technicians from both agencies told us that various individuals have a hard key that can open the property room. Furthermore, technicians did not know how many keys there were or who was in possession of the keys.

<sup>24</sup> CA POST 3-4, 3-6, and IAPE 8.7, 8.9

<sup>25</sup> IAPE Standard 8.9: Security – Video Surveillance

## **Finding 3            Insufficient Controls for Property Disposal**

---

---

Documentation regarding destruction of property should provide a transparent and verifiable audit trail through final disposal.<sup>26</sup> Typically, disposing of property consists of the agency releasing the item to the owner, converting the item to government use, selling the item at auction, or destroying the item by taking it to a waste management facility.<sup>27</sup> Before disposing of a particular piece of evidence, agencies should first receive authorization to destroy it from the prosecuting attorney.<sup>28</sup> Agencies should document the disposal process and, for high-risk components of the process, require an independent witness. Additionally, adequate procedures should exist for disposing of money and returning found property to owners or finders.

### **Sampled Agencies are Not Sufficiently Documenting the Disposal of Controlled Substances**

---

Because of the danger controlled substances pose to agency personnel and the public, it is important to provide reasonable assurance that controlled substances scheduled for destruction are actually destroyed.<sup>29</sup> Key controls include documenting who is involved in the destruction process and requiring independent witnesses for high-risk components of the process.<sup>30</sup> IAPE standards state that documentation should include the name of the person who:

- Authorized the drug item for destruction;
- Staged and verified the item on the destruction list (witness needed);
- Sealed the item in a destruction container (witness needed);
- Transported the destruction container to the destruction location (witness needed); and
- Witnessed the physical destruction of the drugs.<sup>31</sup>

As shown in Figure 6, our review revealed that, of sampled agencies, only Agency G implements all five of the documentation standards listed above.

---

<sup>26</sup> IAPE Standard 4.1: Documentation – Property Report

<sup>27</sup> IAPE Standard 14.6: Disposition – Destruction; Utah Code § 24-3-103(1)

<sup>28</sup> Utah Code § 24-3-103(1)

<sup>29</sup> IAPE Standard 9.7: Drugs – Destruction Documentation

<sup>30</sup> IAPE Standard 9.7: Drugs – Destruction Documentation

<sup>31</sup> IAPE Standard 9.7: Drugs – Destruction Documentation

**Figure 6      Controlled Substance Disposal Steps by Agency**

Agency	Properly authorized the drug for destruction	Verified item on destruction list	Sealed the item in a destruction container	Documented the transportation of the destruction container to destruction location	Witnessed and documented the physical destruction of the drugs
A	-	-	-	-	-
B	x	-	x	-	-
C	x	-	-	-	-
D	x	-	-	-	-
E	x	-	-	-	-
F	x	-	x	x	-
G	x	x	x	x	x

According to IAPE, controlled substances pending destruction have the greatest likelihood of being pilfered since the items are no longer needed for prosecution.<sup>32</sup> Controlled substances may be stolen directly from a property storage facility or during the destruction process such as when drugs are transported to a waste management facility. As a result, there is a need for a defined destruction procedure that provides for thorough documentation and verification and that provides reasonable assurance regarding the final disposition of the drugs. The documentation should remain on file according to the agency’s normal report retention schedule.<sup>33</sup>

According to best practices, agencies should also randomly inspect drug packages for tampering and weight discrepancies prior to destruction.<sup>34</sup> We found that none of the sampled agencies routinely weigh drugs prior to destruction. Only one agency will periodically weigh random samplings of controlled substances bound for destruction.

**Some Agencies Fail to Properly Deposit Money as Required by Statute**

State statute requires an agency to deposit seized money “into a separate, restricted, interest-bearing account maintained by the agency.” Although silent on the timing of deposits, the statute does state that agencies should make deposits “for the purpose of managing and protecting the property from commingling, loss, or devaluation.”<sup>35</sup> We found that some sampled agencies are storing money in property rooms, delaying deposits for months or, in some cases, even years. Doing so unnecessarily increases the risk that money will be lost, stolen, or devalued. Risk is

<sup>32</sup> IAPE Standard 9.7: Drugs – Destruction Documentation

<sup>33</sup> IAPE Standard 9.7: Drugs – Destruction Documentation

<sup>34</sup> IAPE Standard 9.9: Drugs – Drugs for Destruction Audit

<sup>35</sup> Utah Code § 24-2-103(5)(a)

especially high for agencies that give an individual both the power to delete records in the inventory management system and to have unrestricted access to money.

Utah Department of Public Safety's (DPS) policies and practices for depositing seized money offer greater protection. DPS policy states that officers must deposit seized money as soon as is practical. DPS property technicians told us that, in practice, DPS officers usually deposit seized money within 24 to 72 hours of seizing the money. Additionally, money that DPS receives for safekeeping is disposed of or deposited within 30 days.

In our review, we found that Agency C had over \$175,000 and Agency G had over \$300,000 stored in their respective property rooms. Some of the money stored by these agencies had been on hand for 10 years or more. Also of concern, Agency C is the only agency that does not keep money in a locked safe. The agency stores money in five cardboard boxes marked "Safe" in a room that contains other property.

### **Lack of Controls for Returning Found Property to Owner or Finder**

When property is found and turned over to an officer, the agency is required to provide the finder with a form in which the finder provides a statement attesting to the manner in which the finder came into possession of the property.<sup>36</sup> A duplicate of this form should be provided to the finder as a receipt.

When an individual finds property<sup>37</sup> and turns it over to an agency, the agency becomes responsible for attempting to locate the owner.<sup>38</sup> If the owner does not claim the property in a timely manner, the agency is required to give the finder the opportunity to claim the property.<sup>39</sup>

We identified two incidents where firearms were found and turned over to officers. Both of the guns were reported stolen, and the owners were known to the agency. However, the agency destroyed both firearms instead of returning them to the owners or finders.

When releasing property, an agency should properly authorize and document the release and require the owner or finder to provide personal identification and to identify the item being released.<sup>40</sup> If the finder fails to claim the property, then the agency may apply the property to a

---

<sup>36</sup> Utah Code 77-24a-3

<sup>37</sup> Found Property is non-evidentiary property, which, after coming into the custody of an agency, has been determined to be lost or abandoned and is not known or suspected to be connected with any criminal offense (see Utah Code § 77-24a-1(1))

<sup>38</sup> Utah Code § 77-24a-4(1)

<sup>39</sup> Utah Code § 77-24a-3

<sup>40</sup> Utah Code § 77-24a-4

public interest use, sell the property and use the proceeds for a public interest use, or destroy the property.<sup>41</sup>

In our review, we found that only one of the seven agencies returned unclaimed property to the finder. Generally, we observed that most found property is destroyed rather than returned to the finder when unclaimed. Additionally, most of the agencies sampled do not sell property at a public auction to generate revenue or convert it to a public interest use.

## **Recommendations**

---

We recommend that agencies:

1. Obtain proper documentation for the authorization of destruction and retain the documentation in accordance with the normal report retention schedule.
2. Require a second, independent person to verify and account for each item on a destruction list, as well as inspect the item for any signs of tampering, prior to destruction.
3. Establish sufficient controls and documentation policies to provide reasonable assurance that property, especially a controlled substance, is actually destroyed.
4. Comply with state statute and implement policies and procedures for depositing seized money in an account as soon as is practical.
5. Create a “Statement of Finder of Property” form to be provided to individuals who turn over found property to an officer or agency.<sup>42</sup>
6. Comply with state statute with regard to managing and disposing of found property, specifically attempting to locate the owner, and notifying and returning unclaimed found property to the finder when the owner cannot be located.

---

<sup>41</sup> Utah Code § 77-24a-5(3)

<sup>42</sup> See Utah Code 77-24a-3



## Law Enforcement Agencies are not Issuing Receipts to Owners of Seized Property as Required by State Statute

### Finding 4

---

When an agency seizes property, state statute requires an agency to issue a receipt and provide information regarding the forfeiture process to the person from whom the agency seized the property.<sup>43</sup> The agency is required to include the following information on the receipt:

- Property description;
- Date of seizure; and
- Contact information for the agency.<sup>44</sup>

We found that when the sampled agencies do not have a search warrant, the agencies do not issue receipts for seized property as required by state statute (See Figure 7). Conversely, when sampled agencies seize property in conjunction with a search warrant, these agencies correctly issued receipts.

**Figure 7      Receipt Issuance for Seized Property by Agency**

---

Agency	Receipt Provided (No Search Warrant)	Receipt Provided (Search Warrant)
A	No	Yes
B	No	Yes
C	No	Yes
D	No	Yes
E	Some officers provide a receipt but most do not	Yes
F	No	Yes
G	Some officers provide a receipt but most do not	Yes

A receipt is the beginning of the chain of custody for seized property. Failure to issue a receipt for seized property has the potential to facilitate misappropriation of the seized property and prevent agencies from properly returning property. Issuing receipts can also help protect agencies when property owners accuse agencies of seizing property that those agencies did not actually seize.

---

<sup>43</sup> See Utah Code § 24-2-103(1)(a) and (c).

<sup>44</sup> See Utah Code § 24-2-103(1)(b).

One likely cause of not issuing receipts is that none of the agencies had policies and procedures addressing the issuance of receipts to owners of seized property.

## **Recommendations**

---

We recommend that agencies:

1. Comply with state statute by issuing receipts to property owners every time an agency seizes property, regardless of the circumstances.
2. Include a receipt policy consistent with state statute in the agency's policy and procedure manuals and ensure compliance with the policy.

## **Finding 5      Inadequate Controls Regarding Access to Digital Property Records**

---

---

Law enforcement agencies keep digital records of property, including evidence, in their custody. Providing access to these records creates a risk that records will be modified or deleted. Agencies should therefore provide access only as necessary to accomplish essential agency responsibilities. Granting the same individual access to the digital records and the physical property increases the risk that records will be modified or that property will be stolen. Agencies should separate duties or implement mitigating controls to prevent any individual from unilaterally modifying the status of a digital property record and taking custody of the related physical property without timely detection.

### **Terminated Law Enforcement Employees Retained User Accounts with Access to Digital Property Records**

---

Each agency we reviewed utilized Spillman Technologies Law Enforcement Records Management software (Spillman) to maintain digital records of all evidence and property in their custody. Spillman allows agencies to create individual user accounts for each employee with property management responsibilities and to customize the actions each user may take within the application.

At six of the seven agencies reviewed, some terminated employees retained Spillman user accounts after their departure from the agency. Four of these accounts retained the ability to delete digital property records. The retention of active user accounts after employee termination creates an unnecessary risk of unauthorized access to digital property records. At each of the six agencies, a user can only login to Spillman after gaining access to the agency's local network, partially mitigating the risk of unauthorized access. However, at two sampled agencies, we found eight terminated employees with existing local network user accounts in addition to user accounts on the Spillman application.

To protect property records from unauthorized access, agencies should create only Spillman user accounts for employees who require access to these records to accomplish their job requirements. Furthermore, when an agency employee is terminated or his job responsibilities change such that access to property records is no longer required, the agency should immediately deactivate that employee's user account. Finally, agencies should employ the principle of least privilege in determining user account permissions, providing each individual with the minimum access to property records required to accomplish the individual's job responsibilities.

## **Law Enforcement Agencies Have Not Implemented Separation of Duties Regarding the Custody and Recording of Property**

---

Best practices regarding the safeguarding of valuable assets require that custody of the asset and the recording of custody changes be performed by separate individuals. This separation of duties reduces the risk that assets will be stolen or otherwise compromised, as no single individual can take malicious action without detection. Agencies can implement separation of duties in the safeguarding of property by ensuring that no single individual may access physical property and modify digital records.

Where resource constraints preclude separation of duties in this way, agencies may implement other controls to mitigate risk. For example, an agency may require that two individuals participate in the destruction of any property, after which requiring both individuals to sign off on a written record of the destruction. The agency could then periodically review these signatures, ensuring that unilateral disposition of property is detected in a timely manner.

All seven agencies reviewed in this audit permitted individuals to access both physical property and digital records. This practice enables individuals to both modify the status of a property record in Spillman (e.g. mark the property as destroyed) and move the physical property without the cooperation of another employee. This access could allow a malicious actor to illegally confiscate property without detection.

Providing custody and record-keeping responsibilities to a single individual is particularly concerning when the individual has the ability to delete a property record from the system rather than simply accessing or modifying it. In such a case, detection of malfeasance is even less likely, because an audit of physical property typically seeks to verify that assets in custody match existing digital records.

Three of the sampled agencies gave certain individuals the ability to access physical property and to delete digital records. In one agency, we found evidence in the agency's custody for which the digital record had been deleted from the system. Had the evidence been inappropriately confiscated, it would almost certainly not have been detected. To ensure the security of property in police custody, agencies should separate duties or implement mitigating controls to prevent any individual from unilaterally modifying the status of a digital property record and taking custody of the related physical property without timely detection.

**Figure 8 Breakdown of Access Control Weaknesses by Agency**

Access Control Weakness	A	B	C	D	E	F	G
Non-employee <sup>45</sup> Spillman Accounts	0	12	29	67	67	17	297
Non-employee Network Accounts	N/A <sup>46</sup>	1	2	8	3	0	38
Non-employees with both Spillman and Network Accounts	N/A	0	1	0	0	0	7
Individuals with Access to Physical Property and Digital Records <sup>47</sup>	2	2+	2+	5	2	2	6
Individuals with Access to Physical Property and Ability to Delete Records	0	0	2	4	0	0	2
Non-employee User Accounts with Ability to Delete Property Records	0	0	1	0	0	0	3

## Recommendations

We recommend that agencies:

1. Implement controls to ensure that only active employees with a job-related need have access to digital property records.
2. Rescind terminated employees' access to such records immediately upon termination.
3. Implement controls to ensure that an individual may not unilaterally modify the status of a digital property record and take custody of the related physical property without timely detection.

<sup>45</sup> Non-employees includes terminated employees as well as individuals whose employment could not be confirmed by the agency.

<sup>46</sup> Network accounts for Agency A were not reviewed because Spillman users are not required to first authenticate to the agency's local network before accessing the application.

<sup>47</sup> Agencies B and C only require a hard key to enter the property rooms. Both agencies have multiple keys to which an unspecified number of individuals have access.

# Appendix A      **Audit Objectives, Scope, Methodology, and Limitations**

---

---

The objective of this review was to determine to what extent agencies have established appropriate controls over property, including evidence, with particular emphasis on money, firearms, and controlled substances. From August 2018 to April 2019, we reviewed seven agencies, checking each agency’s controls, policies, and procedures for compliance with applicable state statutes<sup>48</sup> and application of industry best practices.<sup>49</sup>

We selected agencies through a judgmental sample based on several factors, including agency size and population served. For each agency sampled, we performed a physical inventory to verify that property on record was actually on hand in the physical location assigned. For money, firearms, and controlled substances, the physical inventory included *all items*. We also judgmentally selected a sample of other items from the agencies’ property lists. Other activities conducted during the audit include the following:

- Reviewed state statutes, industry best practices, and similar audits performed in other states;
- Toured facilities where agencies store and maintain property;
- Interviewed agency personnel, including property technicians and supervisors;
- Reviewed agency policy and procedure manuals;
- Reviewed inventory records and matched records to the physical property;<sup>50</sup>
- Evaluated the accuracy and completeness of inventory records;
- Reviewed documentation associated with chain of evidence, including documents related to the agency assuming custody of the property; the intake and storage of the property; the property being transferred, checked out, released, or destroyed;
- Sampled and reviewed evidence associated with specific cases;<sup>51</sup>

---

<sup>48</sup> Applicable state statutes include Title 24, Forfeiture and Disposition of Property Act; Title 53, Chapter 5c, Firearms Safe Harbor; and Title 77, Chapter 24a, Lost or Mislaid Personal Property.

<sup>49</sup> To determine applicable best practices, auditors reviewed industry standards, recommendations, and procedures from, among other entities, the International Association for Property and Evidence (IAPE); the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA); and other states. We primarily relied on standards from the IAPE, which “is a non-profit organization created by and for law enforcement professionals to help establish recommended standards for all property and evidence departments” (see <http://home.iape.org/about-us/about-us.html>).

<sup>50</sup> We did not handle or verify the contents of the property packages. Property technicians presented packages to auditors. Property packages were stamped with an identification number (usually in barcode format), which auditors could compare to inventory records and content descriptions. Auditors also evaluated the seal integrity of the packages.

<sup>51</sup> The review of cases included evidence no longer held in storage.

- Sampled and reviewed incident reports prepared by officers to determine if the property noted on the incident report matched inventory records; and
- Reviewed access controls to the property database, including users with administrative rights and ability to add, delete, and otherwise edit property records.