

SPECIAL REVIEW METRO TRANSIT PROPERTY ROOM INVENTORY

Program Evaluation and Audit



**METROPOLITAN
COUNCIL**

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INTRODUCTION

Background

Program Evaluation and Audit (Audit) was requested in December, 2014 by Metro Transit Police Department to conduct an inventory audit of the 2425 Minnehaha Avenue police station. An investigation commenced on December 19, 2014 on allegations that the Administrator of Property and Evidence had been stealing cash from the property room safe . During questioning by the Minnesota Bureau of Criminal Apprehension the Administrator of Property and Evidence admitted to stealing cash. The amount of cash stolen is estimated to be less than \$2,400.

Methodology

On December 29 to December 31, 2014 Audit staff conducted a 100 percent count of inventory within the property room except for the following areas: the safe, photo files, video files, and “D” shelves – where items are held for a specified time period upon the request of the courts. Items in the safe had been inventoried by the Police as part of its investigation of the theft. On January 13, 2015, Audit staff returned to conduct a 100 percent count of items in the video files for the years 2013 and 2014.

The areas of the property room and adjacent garage space that Audit examined were:

1. Alcohol file cabinet
2. Drug lockers
3. Police department garage
4. Room B
5. Shelves (except “D” shelves)
6. Video files (2013 & 2014)
7. Weapons locker
8. Weapons to be destroyed
9. Miscellaneous (items found on “D” shelves, but reported in other areas)

The property room inventory report was created from the LETG inventory system during the week of December 22, 2014. Audit used the inventory report for its search of items. Items received in the property room on and after December 20, 2014 were not included in the inventory. In all 12,829 items were searched for by Audit.

After the initial inventory counts by Audit, Metro Transit Police Department (Police) staff conducted a follow-up search of the property room for items that could not be found by Audit. Items later found by Police staff were updated in Audit’s inventory report. The results within this report include property room items that had been located by Police up through February 16, 2015.

Police, upon the request of Audit also located, when possible, documentation of the disposition of unaccounted for videos. Documented disposition of videos, such as release to prosecutors, are reflected in the results of this report.

Additionally, previous inventory reports run for audits of the property room in 2010 and 2013 were examined for documentation of final disposition of items not located in the current inventory. Reports of items purged (destroyed) from years 2009 to 2012 were also compared against the current inventory.

Lastly Police reviewed the evidence not found to determine which cases were closed, why the cases were closed, and those cases that were open, prosecutable cases.

Results

Overall 10,987, or 88%, of the 12,528 property room items were either found by Audit and Police staff or the final disposition of items was documented.

Evidence for Prosecutable Cases

Audit focused on evidence items not found for open criminal cases. The statute of limitations is three years for most of the crimes committed. The focus of the audit then was on evidence booked from the years 2012 to 2014. Police reviewed the 215 evidence items not found and booked during that time period to determine which cases were closed, why the cases were closed, and to identify open, prosecutable cases. Police included evidence not found for years earlier than 2012 for serious crimes that had longer statutes of limitation in its review.

Table 1. Status of Evidence Missing for Cases within the Statute of Limitations

Status of Evidence Not Found	Number of Items	Number of Cases
Items returned to owner	9	1
Case closed by investigations	49	46
Case closed by citation	85	80
Case closed by formal complaint	72	60
Case open	0	0
TOTAL	215	187

All items were either returned to the owner or the cases had been closed.

Results by Year

Items in the LETG inventory system report included items that were booked into the property room as early as 2008. The earlier years for 2008 to 2011 have lower percentages of found items. Approximately 97% of the items were found that had been booked during the more recent years of 2012 to 2014.

The greatest number of unaccounted for items in the earlier years is for items placed in Room B and on the Shelves.

Table 2. Items Found By Year (2008 – 2014)

	2008 - 2010	2011	2012	2013	2014	Total Found	Total Percent Found
TOTAL	(254/1,081) 23%	(391/765) 51%	(836/966) 87%	(4,239/4,342) 98%	(5,267/5,374) 98%	(10,987/12,528)	88%

Analysis

Inventory items not found during this audit can be attributed in part or in whole to three causes: 1) lack of documentation of final disposition of items, 2) conversion of inventory records from Microsoft Excel to LETG, and 3) a failure to implement recommendations from earlier inventory audits. The root cause may have been insufficient staff resources to receive, process, and destroy items.

Final disposition not documented

It appears that particular shelves were used by the Administrator of Property and Evidence as transfer points for items to be destroyed. Room B had, prior to the Administrator of Property and Evidence's tenure, been used as the holding area for safekeeping items. During the audit both safekeeping items and evidence were located on shelves in Room B.

A few of the shelves seem to have become transfer points for destruction based upon both Audit's and the Administrative Lieutenant's observations. Three shelves in particular were identified to be transfer points: Shelf 3 (narcotics), Shelf 5 (items held for a few years), and Shelf 7 (weapons). These three shelves account for 80% of the items unaccounted for from Room B. The greatest number of items unaccounted for was booked into the property room prior to year 2012.

In the Shelves, shelf J28 may have been a transfer point for the destruction of smaller items, such as fare media and photos. This shelf, according to the LETG inventory report, contained 72% of the unaccounted Shelves items. Only one unaccounted for Shelf's item was inventoried after 2010.

Both the early time period that these items were booked and the location of these items on shelves used as transfer points prior to destruction indicate that these items were likely destroyed. The lack of documentation of the destruction of these items does not allow this report to provide a conclusive determination of the final disposition of the items on shelves 3, 5, 7, and J28. The failure to document within LETG the final disposition of property violates the Metro Transit Police Department's Property and Evidence Policy.

Conversion of records to LETG inventory system may have included items previously released or destroyed

During the previous property room inventory audit conducted by Audit staff from late 2012 to early 2013, the Administrator of Property and Evidence had been in the process of inputting prior years' inventory items into LETG, the property inventory management system. Previous

years' inventory information had been stored in Microsoft Excel spreadsheets which had been the previous system for maintaining inventory records.

The Administrative Lieutenant questioned whether the Administrator of Property and Evidence had accurately inputted prior years' inventory records into LETG. The low percentage of items found in Room B in years 2008 to 2011 (see Table 2), which had been used prior to the Administrator of Property and Evidence's employment in September 2012 for storing safekeeping items, may have been a result of the evidence clerk inputting items that had been disposed of earlier.

Recommendations from the 2012 – 2013 inventory were not fully implemented

The inventory report in 2013 recommended that the property and evidence policy be updated if a review of best practices, provided in the 2013 report, required the manual to be updated. Some of the recommended changes to the policy manual included a two-person rule for destruction of property, directives for whether items may be stored and secured outside of the property room, and periodic transfer of lost and found items to Metro Transit Customer Relations. Audit had been told by the Administrator of Property and Evidence in 2013 that the recommendations had been implemented.

It was discovered during this inventory that the recommended procedures for documentation and disposition of property had not been implemented. The transfer of lost and found items to Customer Relations, for example, was discontinued by the evidence clerk without notifying her supervisor.

The property and evidence policy was revised in March 2014, but did not include revisions to procedures that incorporated additional best practices. The one substantive revision was the removal of the requirement for a periodic review by the Administrative Lieutenant to inspect the property room and ensure adherence to the appropriate policies and procedures.

Another recommendation for the 2013 inventory audit report was that there should be an audit to verify implementation of a new property and evidence policy manual. The follow-up audit was in the process of being scheduled at the time the theft from the property room safe had been discovered.

Insufficient staffing may be the root cause for errors made

While the evidence clerk admitted to removing cash, the majority of the items not found appeared to be of nominal value. The lack of documenting final disposition of items, the existence of inaccurate data within the inventory system, and the discontinuance of the transfer of lost and found items to Customer Relations, together indicates that the evidence clerk either did not have sufficient time or did not make sufficient time to execute all the tasks required. The current evidence clerk has several years of experience as an evidence clerk with a large police department, yet is finding a great challenge to receiving, processing and destroying all items.

The 2012-2013 inventory report reported on the doubling of processing of items in the property over the prior 10 years. That report stated concerns that staffing levels may become inadequate with the increased workload. From 2010 to 2014 the volume of items booked into the property room increased from 5,154 items to 12,172 items – an average annual increase of 24%.

CONCLUSIONS

1. No evidence items in prosecutable and open criminal cases were unaccounted for.
2. The evidence clerk admitted to and was convicted of stealing cash from the safe.
3. The testing of the inventory found 88% of the items properly accounted for. Approximately 98% of items booked into the property room from 2013 to 2014 were accounted for. Items booked into the property room for years 2008 to 2012 account for 86% of the items unaccounted for during the inventory. Many of these items from earlier years may have been erroneously inputted into LETG, but this could not be confirmed during the inventory.
4. The areas with the greatest number of unaccounted for items, Room B and the Shelves, may largely be attributed to a lack of documentation of final disposition for items on presumed transfer points. This may account for as much as 80% of the unaccounted for items in those two areas of the property room.
5. A revised Property and Evidence Policy Manual incorporating recommendations from the 2013 inventory audit had been completed in 2014. The revised policy did not incorporate best practice recommendations from the 2013 audit. A follow-up audit to confirm implementation of recommendations was being scheduled at the time of the theft.

RECOMMENDATIONS

Program Evaluation and Audit recommendations are categorized according to the level of risk they pose for the Council. The categories are:

- **Essential** – Steps must be taken to avoid the emergence of critical risks to the Council or to add great value to the Council and its programs. Essential recommendations are tracked through the Audit Database and status is reported twice annually to the Council’s Audit Committee.
- **Significant** – Adds value to programs or initiatives of the Council, but is not necessary to avoid major control risks or other critical risk exposures. Significant recommendations are also tracked with status reports to the Council’s Audit Committee.
- **Considerations** – Recommendation would be beneficial, but may be subject to being set aside in favor of higher priority activities for the Council, or may require collaboration with another program area or division. Considerations are not tracked or reported. Their implementation is solely at the hands of management.
- **Verbal Recommendation** – An issue was found that bears mentioning, but is not sufficient to constitute a control risk or other repercussions to warrant inclusion in the written report. Verbal recommendations are documented in the file, but are not tracked or reported regularly.

1. **(Essential) - Review and revise the Property and Evidence Policy to incorporate best practices as described in the April 16, 2013 Metro Transit Police Department Property Room Inventory and Policy Review report.**

***Management Response:** The Metro Transit Police Department Policy # 804 has been updated. This completed policy update was effective June 30, 2015. This update included a review of the best practices recommendations and changes were incorporated to the policy where applicable.*

***Staff Responsible:** MTPD Lt. Steven Bakeberg*

***Timetable:** Complete*

2. **(Essential) - Implement procedures to improve the accuracy of information within the LETG inventory database. Items not found during this inventory should be identified as such within the inventory database.**

***Management Response:** The process to re-categorize the unaccounted items from this audit has been underway since July 2015. A new virtual folder has been created in the LETG database. The items referenced above are being moved electronically into the new folder. The timeline for this project is completion during the fourth quarter of 2015. The new virtual folder will allow 1) MTPD to historically reference the unaccounted items*

from this audit and 2) these item to receive a final disposition code that will ensure higher accuracy during future audits.

Staff Responsible: MTPD Lt. Steven Bakeberg

Timetable: Fourth quarter 2015

- 3. (Essential) - Ensure that an inventory audit be performed of the Property Room at least annually.**

Management Response: Annual internal audits will be conducted by Program Evaluation and Audit staff.

Staff Responsible: Director, Program Evaluation and Audit, Arleen Schilling

Timetable: Annually

- 4. (Essential) - Unannounced audits of the contents of the safe should be conducted periodically each year by either the administrative lieutenant or Internal Audit. These audits should be documented.**

Management Response: A new procedure requiring the Administrative Lieutenant to randomly inspect "all property contained in the safe" on a quarterly basis went into effect with the MTPD Policy #804 update effective June, 2015. This new inspection process has been completed twice; second quarter and third quarter 2015. The results of both random safe inspections have resulted in a 100% compliance rate. The inspections are documented on a new audit checklist log.

Program Evaluation and Audit has also completed a random audit of the following areas; 1) Safe, 2) Weapons Lockers and 3) Narcotics Locker. This Internal Audit also resulted in a 100% compliance rate.

Staff Responsible: MTPD Lt. Steven Bakeberg; Director Program Evaluation and Audit, Arleen Schilling

Timetable: Ongoing

- 5. (Consideration) - Consider supplementing staffing in the property room to reduce the risk of not processing items in the property room timely and accurately.**

Management Response: MTPD has recently been given approval for a second FTE to work in the MTPD property and evidence room. This second FTE position was filled on September 28, 2015. Training for the new employee is currently underway.

Staff Responsible: MTPD Lt. Steven Bakeberg

Timetable: Complete



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