

METRO TRANSIT POLICE DEPARTMENT PROPERTY ROOM

PROGRAM EVALUATION AND AUDIT



**METROPOLITAN
C O U N C I L**

Highlights

The Property Room's Inventory Controls are Working as Intended

What We Found

What's Working Well

Of the 2,019 items tested, 2,006 were found in the correct location. This error rate of less than 1% is in line with past audit results. Property room staff were very cooperative during the onsite testing, and proactively corrected errors as they were identified, such as an item being stored out of numerical order within a location or a misprinted label. Staff corrected errors even for items not included in the sample.

Observations

Seven items were not in the exact location listed in the system, but were located and corrected during testing. Four items were donated before the onsite and though there were reports indicating their donation, the location in the system was not updated.

Item descriptions varied. For example, items were sometimes listed as “drug paraphernalia” and other times had a list of what the paraphernalia included. The amount of evidence listed as a single “item” also varied.

Next Steps

There are no findings or recommendations that Audit has for the property room. Audit plans to resume regular audits going forward.



A Green Line train passes by the Heywood Metro Transit building in Minneapolis.

Why We Did This Work

Before 2020, Audit conducted annual inventories of the property room. Due to the COVID-19 pandemic, these were not conducted from 2020 – 2022. Staff changes, adapting to the new location, and the length of time since the last audit were all reasons Audit decided to return to the property room.

What We Reviewed

Audit reviewed a sample of inventory items to confirm they were stored in the correct location. Additionally, Audit reviewed the forfeiture policy and physical access controls.

How We Did This Work

Most of the testing involved a 2-day onsite, where Audit worked with property room staff to review approximately 2,000 items for the correct location, description, and case number. Physical access review involved comparing a list of badge scans attempting to access the property room to a list of authorized employees, and policy review compared the MTPD policy to a Minnesota State model policy.

Contents

Highlightsi

Introduction1

 Background1

 Objective1

 Equity2

 Scope2

 Methodology2

 Limitations3

 Recognition3

Observations4

Conclusions6

Introduction

Background

The Metro Transit Police Department (MTPD) Property Room stores and maintains items for a variety of reasons, primarily as evidence for crimes involving the transit system. Items may also be in the property room for safekeeping. When items leave the property room, they may be transmitted to other law enforcement agencies, returned to their owner, destroyed, or donated. Items in the property room include weapons, cash, narcotics, and video footage from stations and squad cars, among others. The inventory system manages information about item location, status, description, associated case, and how the item has moved through the chain of custody. It is important that the items within the property room be stored securely to prevent theft, tampering, or misplacement that could have legal and reputational consequences. An MTPD Lieutenant oversees the property room, while civilian employees handle most of the day-to-day activities such as entering new items and escorting people within the property room.

Before the COVID-19 pandemic, Audit conducted an annual property room inventory review. No property room audits took place between 2020 and late 2022. The last audit was a 100% inventory as the MTPD had moved facilities. During that time, there was staff turnover both within the property room and throughout MTPD. Additionally, increased public focus on police activities and transit safety concerns reiterated the importance of ensuring the system of controls works as intended.

Objectives

This audit had three objectives.

1. Confirm that property room items are in the correct locations listed in the inventory system.
2. Determine physical access controls for the property room.
3. Assess policies and procedures on asset forfeiture.

The primary focus of this audit was to confirm the property room item locations, while the other two objectives were secondary. The audit considered the Council's Thrive MSP 2040 Outcomes and Principles, primarily *Accountability* and *Stewardship*, by confirming that items were in the correct location and that only authorized staff accessed the property room.¹ The audit also supported the Metro Transit Strategic Plan's core element "we evaluate our performance and foster innovation for continuous improvement" by providing an independent perspective on property room activities.²

¹ [Thrive MSP 2040 Plan - Metropolitan Council \(https://metro council.org/Planning/Thrive-2040/Thrive-MSP-2040-Plan.aspx\)](https://metro council.org/Planning/Thrive-2040/Thrive-MSP-2040-Plan.aspx)

² [Stronger, Better: 2023 Strategic Plan.pdf \(https://www.metrotransit.org/Data/Sites/1/media/about/strategic-plan_2023.pdf\)](https://www.metrotransit.org/Data/Sites/1/media/about/strategic-plan_2023.pdf)

Equity

Audit researched civil asset forfeiture while assessing equity-related risks. Annually, the Minnesota State Auditor reports on civil asset forfeiture. In a press release about the 2020 Asset Forfeiture Report³, the State Auditor said:

“76 percent of [civil asset] forfeitures, resulting in net proceeds, were under \$1,500 in 2020 and added up to \$1.2 million. These forfeitures are a small impact on law enforcement’s budgets, but could have a big impact on a person’s life. Having a few hundred dollars seized can mean the difference between making rent or homelessness. Losing that old car can lead to missing work and losing your job.”

Based on the State Auditor’s findings, Minnesota made changes to civil asset forfeiture laws in 2021.⁴ This could have impacted objective three, which reviewed MTPD policies, but MTPD was one of the police departments that did not report any civil asset forfeitures at the time of the State Auditor’s report.⁵ Conversations with MTPD staff during the planning phase of this audit reiterated that MTPD does not engage in civil asset forfeiture.

Scope

For the onsite inventory testing, Audit used a point-in-time count of all items in the property room according to the inventory system. Access records for the 6 months prior to the onsite were eligible for review. Finally, the MTPD’s procedure manual relating to evidence handling and civil asset forfeiture were eligible for review.

Methodology

To confirm that items’ locations matched the information in the inventory system, Audit performed an onsite inventory. Two auditors observed property room staff generate a system report of all items in the property room one day prior to the intended onsite. For each location, auditors used statistical sampling methods to generate a random sample with 99% confidence and a 5% margin of error. During the onsite, auditors read a specific location or case number as applicable and property room staff located the item and read the description. If possible, auditors also visually confirmed that the description matched the item. If an item was in the wrong location or did not match the description, it

³ McFarland, Donald. "State Auditor Blaha Releases 2020 Asset Forfeiture Report - August 19, 2021." Office of the State Auditor. August 19, 2021. <https://www.osa.state.mn.us/news/updates/press-release-articles/2021/state-auditor-blaha-releases-2020-asset-forfeiture-report-august-19-2021/>.

⁴ Montemayor, Stephen. "Changes to Minnesota’s Civil Asset Forfeiture Laws Pass Legislature." Star Tribune (Minneapolis, MN), July 3, 2021. <https://www.startribune.com/changes-to-minnesota-s-civil-asset-forfeiture-laws-pass-legislature/600074778/?refresh=true>.

⁵ Office of the State Auditor, *Asset Forfeitures in Minnesota: For the Year Ended December 31, 2020* (Saint Paul, MN: Office of the State Auditor, 2021), <https://www.osa.state.mn.us/media/rqwdsrxd/assetforfeiture20report.pdf>

was an exception. For missing items, MTPD staff reviewed the chain of custody reports and attempted to locate the item.⁶

Testing to determine physical access controls focused on badge access to the facility. Audit reviewed a report of all badge scans attempting to enter the property room to identify instances of unauthorized employees attempting to enter the area. Badge reader logs include the date, time, employee name, door name, and the outcome (access granted, insufficient access level, etc.). If an unauthorized employee scanned their badge more than three times in the six-month period, Audit flagged the scans and discussed them with property room management. Any instances of access granted to an unauthorized user were immediately counted as an exception.

Finally, the policy review compared the State of Minnesota's model policy on forfeiture to the MTPD's forfeiture policy.⁷ Audit confirmed that each item within the model policy was included in the MTPD policy, and that the two policies were "identical or substantially similar," such that no differences between the policies made MTPD's policy a weaker control document than the state's.⁸

Limitations

Due to Winter Storm Olive, the onsite portion of testing had to be pushed back by a week. During this time, the property room agreed not to destroy any items until Audit could finish the onsite. However, MTPD operations continued. New evidence entered the property room and some members of the public claimed their items. During the delay property room staff agreed not to destroy any inventory items and to send Audit a report of any items that moved in/out of the property room. The inability to cease operations during the delay means that the sample used for testing was not generated as close to the onsite as originally intended.

Ideally, auditors read out a location and property room staff reported the case number and description for an item, but few locations were specific enough to do this. For the locations without specific details, auditors instead read the case number and had property room staff report description only. Finally, Audit could only visually verify that most of the items matched their description, as some items were sealed in opaque packages that could not be opened without breaking the seal due to being evidence. Some item descriptions were not very specific, such as "drug paraphernalia" with no additional details about what that included. This made it more difficult to confirm that item descriptions matched the items observed during testing and that all pieces of evidence were present.

Recognition

Audit would like to thank MTPD property room technicians for their cooperation and support. Property room technicians were more than willing to generate chain of custody reports and take the time with Audit to correct minor errors as they were observed, even if the items were not part of the sample. The Lieutenant also promptly helped Audit resolve questions that arose during testing.

⁶ Chain of custody reports describe movement of items. They include item description and category, case officer and number, dates and times of location change, people who issued a location change, and notes.

⁷ "Administrative Forfeitures Model Policy" available at <https://mn.gov/post/cleoadministrators/modelpolicies/>

⁸ Minnesota Statutes 609.531 Subd. 8(d) reads "the chief law enforcement officer of every state and local law enforcement agency... shall adopt and implement a written policy on forfeiture that is identical or substantially similar to the model policies developed under paragraphs (a) and (b)."

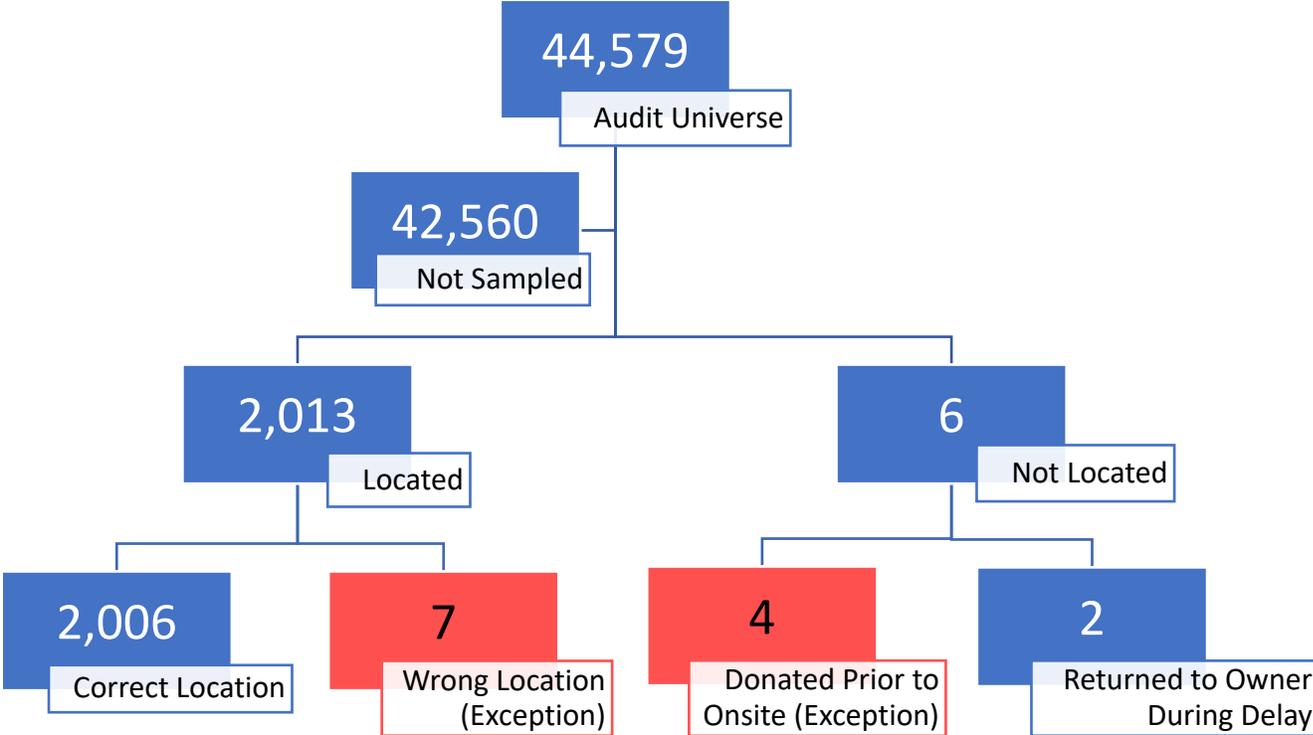
Observations

Inventory Results: 100% found or otherwise documented.

100% of tested items were either found in the property room or had a chain of custody report describing why they were not there. There are no major concerns about missing items at this time. The system of controls is working as intended.

Audit located 2,013 of the 2,019 sampled items. 2,006 items were in the correct location, and seven were mislocated but were all found and corrected during testing. The six unlocated items had chain of custody reports describing why they were not in the property room during testing. Two items had been returned to the original owner during the delay. The remaining four were donated prior to the onsite. Adding the seven items in the wrong location and the four items that were donated before the onsite, Audit identified eleven exceptions out of 2,019 sampled items. Overall, 99.46% of items (2,008/2,019) had no exception, and no items were missing without explanation.

Figure One: Inventory Testing Outcomes



Comparison to Previous Years

Prior to the coronavirus pandemic, Audit annually audited the Property Room. Between the June 2016 and February 2023 audits, 99-100% of items selected for testing were ultimately marked as “found” (Table 1). Except for the 100% counts done before and after the MTPD’s move to the current location in May and July 2019, sample sizes ranged from 272 to 2,019. Direct comparisons to past years cannot be made due to methodology differences. Generally, the 2023 results are in line with prior audits.

Table One: Past Audit Results

Audit Date	June 2016	Dec 2017	Dec 2018	May 2019	July 2019	Feb 2023
Sample Size	1,563	272	403	51,829	51,829	2,019
% Located	99.94%	100%	100%	99.98%	100%	99.46%*

**Includes items that were located correctly and items that were returned to owner after sampling.*

During the onsite testing, property room staff also shared how they are working to correct some past issues and improve their processes. Staff used the audit as an opportunity to ensure items within a location were sorted numerically by case number to aid future item retrieval, even for items that met Audit’s minimum criteria of correct location or for items that were not part of the sample.

Physical Access

The property room’s physical controls are working as intended. Although several unauthorized employees scanned their badge at property room entrances, none of these resulted in unauthorized access to the area. According to property room staff, some MTPD staff mistake an external property room door for one they have access to and scan their badge in error. Most unauthorized scans appear to be this kind of mistake, as most unauthorized staff only scanned once or twice in a row on no more than one day in the sample. There was one possible exception where a person scanned their badge and was denied access a total of 12 times across two separate days, including scans at readers for interior doors. After discussion with management and Asset Protection, Audit confirmed that these access attempts were part of chaperoned, contracted security work and did not represent unauthorized activity.

Forfeiture Policy

The MTPD forfeiture policy includes all the required components in the State Model Policy on forfeiture. Additionally, the MTPD policy provides additional detail beyond the minimum required for some items, such as requiring additional supervisor review when counting cash in excess of \$500.

Conclusions

Overall, the control environment in the property room is working as intended. The error rate was less than 1%, with seven items being located in the wrong place and four items not found ($11/2,019 = 0.5\%$). The four missing items had Chain of Custody reports showing that they were donated prior to the onsite. The seven mislocated items were found during testing and moved to the correct location. This means 100% of sampled items were either located in the property room or had an explanatory report describing why it was not physically there. Physical access controls also prevented unauthorized access, and the forfeiture policy was in line with state standards.



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All audit reports are reported to the general public and are available on www.metrocouncil.org. This audit report was distributed to the following parties:

- Members of the Audit Committee
- Regional Administrator
- Metro Transit General Manager
- Chief of Police
- MTPD Investigations Lieutenant



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