

CONSENT CALENDAR
March 29, 2011

To: Honorable Mayor and Members of the City Council
From: Ann-Marie Hogan, City Auditor
Subject: Audit: Police Property and Evidence Room: Further Improvements

RECOMMENDATION

Request the City Manager to report back on or before September 27, 2011 on the implementation status of the City Auditor's recommendations. Report back no later than every six months until fully implemented.

SUMMARY

At the request of the Berkeley Police Department, we recently conducted an audit¹ to determine the status of recommendations made by the California Commission on Police Officer Standards and Training (POST). During our audit work we also identified opportunities for improvement that POST did not include. The attached report addresses these concerns:

- *Security* – The alarm to the main property room is not used and the alarm to the drug vault is not alerting the appropriate police personnel. (Finding 1)
- *Oversight* – The Department's audit² methodology presents a fraud risk. (Finding 3)
- *Policies and Procedures* – The Department lacks a comprehensive operations manual for the property and evidence room. (Finding 2)
- *Inventory* – System records were not always updated. (Finding 4)
- *Employee Health* – Poor ventilation and mold in the large drug storage unit made breathing difficult. (Finding 4)

According to the Police Chief, most of the audit recommendations made in this report have been implemented (75%), and the remaining recommendations are targeted for completion by June 30, 2011. The Department's appreciation of the importance of making improvements appears evident in the number of recommendations already implemented.

¹ [Property and Evidence Room POST Study: Follow-Up Report](#) (January 18, 2011)

² "Audits" as conducted by Property Room staff should not be confused with audits conducted by an independent agency, such as the City Auditor's Office.

FISCAL IMPACTS OF RECOMMENDATION

The Property and Evidence Room handled over 9,000 items of property and evidence in calendar year 2009. This includes narcotics evidence with an estimated street value of more than \$1,500,000 and over \$310,000 in currency.

Inadequately managed property rooms can further harm victims whose cases are dependent on the integrity of the evidence. It can also lead to a financial loss and a loss of public confidence.

RATIONALE FOR RECOMMENDATION

Implementing the recommendations will help ensure the integrity of evidence and help protect the City's reputation.

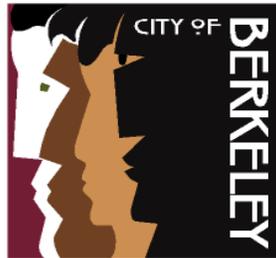
CONTACT PERSON

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Attachments:

1: Audit – Police Property and Evidence Room: Further Improvements

City of Berkeley



Police Property and Evidence Room: Further Improvements

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Presented to Council March 29, 2011

Police Property and Evidence Room: Further Improvements

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I. Executive Summary

We recently conducted an audit¹ to determine the status of recommendations made by the California Commission on Police Officer Standards and Training (POST). The Commission focused on controls and operational weaknesses in the property and evidence unit. During our audit work, we also identified opportunities for improvement that POST did not include. This report addresses these concerns.

The Berkeley Police Department made recent organizational changes to improve efficiency, effectiveness, and accountability. The Department must take further action to improve:

- *Security* – The alarm to the main property room is not used. The alarm to the drug vault is not alerting the appropriate police personnel. (Finding 1)
- *Oversight* – The Department’s audit² methodology presents a fraud risk. (Finding 3)
- *Policies and Procedures* – There is no comprehensive operations manual for the property and evidence room. This “answer book” would help ensure staff perform their duties as management intended. (Finding 2)
- *Inventory* – System records were not always updated. Discrepancies could give the appearance of missing or stolen property and evidence. (Finding 4)
- *Employee Health* – Poor ventilation and mold in the large drug storage unit made breathing difficult. (Finding 4)

The Department must continue to improve internal controls.

According to the Police Chief, most of the audit recommendations made in this report have been implemented (75%), and the remaining recommendations are targeted for completion by June 30, 2011.

¹ [Property and Evidence Room POST Study: Follow-Up Report](#) (January 18, 2011)

² “Audits” as conducted by Property Room staff are intended to ensure the credibility of the automated property system. They should not be confused with audits conducted by an independent agency, such as the City Auditor’s Office.

II. Audit Objectives

This report identifies deficiencies that came to the auditors' attention during the fieldwork performed for the California Commission on Peace Officer Standards and Training follow-up audit³. Another objective was to determine if access to property rooms was changed in accordance with policy.

At the request of the Police Chief, fieldwork was expanded to include inventory tests of narcotics, currency/high-value items, and firearms.

III. Background

The Berkeley Police Department

The Berkeley Police Department (Department) is organized into the Office of the Chief and four divisions:

- Police Operations
- Police Support Services
- Police Professional Standards
- Police Investigations

The Office of the Chief includes the Internal Affairs Bureau and the Public Information Bureau. As of June 2010, the Department was comprised of 184 sworn officers and 117 non-sworn employees.

The Property and Evidence Unit

The Property and Evidence Unit (Unit) is part of the Berkeley Police Department's Support Services Division. The Department staffs the Unit with one Community Services Supervisor and one Community Services Officer, who serve as the Property Officer and the Property Clerk. Staff are responsible for a number of administrative and technical tasks related to the handling and storage of property and evidence. Property Room hours are Monday to Friday from 7 a.m. to 5 p.m. The public may claim property between 8:30 a.m. and 4:30 p.m.

³ The primary objective for this audit was to determine the implementation status of the recommendations made by the California Commission on Peace Officer Standards and Training (POST) in their October 27, 2006 report. The results of that objective were reported to Council on January 18, 2011.

The Unit serves to safely store property collected as evidence, recovered from any source, or turned over as found property or for safekeeping. As of March 2010, the Unit was responsible for the management of over 40,000 pieces of property and evidence. Property is stored in one of four property rooms: main property room, drug vault, Conex (large, drug storage unit), or annex (oversized property and evidence storage).

IV. Findings and Recommendations

Finding 1: Improve Storage Security

Property and evidence storage areas are not adequately secured and monitored:

Property rooms should be equipped with alarms.

- The alarm to the main property room is not activated and the alarm to the drug vault is not alerting the appropriate police personnel. It appears the alarm systems could generate activity reports to monitor access.
- Two of the four storage areas are not equipped with an alarm. This includes an area for narcotics storage.
- Management is not reviewing access reports to the drug vault.
- The keypad entry system to the drug vault can be bypassed by using a key and there is no alert system to identify such entries.
- Access codes to the drug vault were not deactivated in accordance with policy.
- Past policy permitted the Police Chief and the Support Services Captain to have keys and access codes to property and evidence storage areas⁴. Best practice is to limit regular access to property room staff and their supervisor.
- Existing policy for emergency, after-hours access does not clearly state that non-property room personnel are restricted from entering property rooms alone. Best practice is to require dual access.
- The Department maintains a set of spare property room keys for emergency access. At the time audit work was performed, the set included the key to the drug storage areas.

⁴ At the time the audit was performed, this policy was in place. Since completion of the audit, the Department has reported that it no longer permits this practice.

Entry to property or evidence storage areas must be controlled to ensure evidence integrity, and to prevent the alteration, theft, destruction, or compromise of the material.

City Manager's Response to Finding

Agree.

Recommendations and City Manager Responses

- 1.1 Ensure the alarm to the main property room is activated nightly.

Agree and implemented September 19, 2010.

- 1.2 Modify the drug-vault alarm system so that it alerts the appropriate police personnel.

Agree and will implement by April 2011.

- 1.3 Equip all storage areas with an alarm and train staff to use the system. Ensure the new alarm system generates access logs.

Agree and will implement by June 30, 2011. The Department has received three bids for replacing and expanding the alarm system to secure all storage units. This is in addition to the motion detectors recommended by POST, which the Department has agreed to implement. The systems under consideration have the ability to generate access logs.

- 1.4 Perform bi-monthly review of access logs. Follow up as needed and document results.

Agree and implemented March 1, 2011.

- 1.5 Ensure that alarms are monitored. This includes system alerts that notify the appropriate personnel when keypad entry systems are bypassed.

Agree and will implement by June 30, 2011. This option will be included as a feature of the alarm system selected.

- 1.6 Update access codes to the drug vault so that only authorized personnel have active codes.

Agree and implemented February 17, 2011.

- 1.7 Limit unrestricted access to property and evidence storage areas to property room personnel and their direct supervisor.

Agree and implemented January 9, 2011.

- 1.8 Clearly require dual access to any property and evidence storage area by non-property room personnel.

Agree and implemented September 19, 2010. When the Property Officer is not onsite and an emergency arises, the Support Services commander is contacted. If it is determined that an emergency exists, the commander grants permission and accompanies the requesting party to the property room. If unavailable, the Support Services commander provides the watch commander with the access code to the lockbox in the sergeants' office. The watch commander then obtains the key and escorts the requesting party to the property room. The in and out time and date are recorded to the property room entry log. The code to the lockbox is changed by the Support Services commander after each use.

- 1.9 Discontinue use of an emergency key to drug storage areas. If emergency access is required to the drug storage areas, recall authorized personnel.

Agree and implemented December 1, 2010. The emergency access key to the drug storage areas was removed from use. In the extremely rare situation that emergency access to a drug storage area is needed, authorized staff are recalled to assist.

Finding 2: Establish a Comprehensive Property and Evidence Room Operations Manual

The Property Room lacks a comprehensive operations manual. There is an ad hoc desk manual but is it outdated and incomplete. There is also written guidance for handling narcotics. In some cases, management's understanding of practices does not align with actual practices, and there are day-to-day tasks that are not described in written format.

A comprehensive operations manual should cover:

A detailed operations manual will help ensure consistent performance.

- Processes and practices to ensure General Order P-65 procedures are performed.
- Scheduling and documenting purges⁵ and inventories.
- Changing the code to the office wall safe.
- Storing found / safekeeping property (the specific shelves used and reason for keeping items separate from evidence).
- Setting perimeter alarms.
- Staff rotation procedures.
- Additional information to ensure work is performed as management intended.

The development of a comprehensive operations manual, to supplement Department policy, would help align management's expectations and staff practices. It would also help ensure consistent performance. The Department's practice of rotating staff to other assignments makes the need for an operations manual even more compelling.

City Manager's Response to Finding

Agree.

Recommendation and City Manager Response

- 2.1 Ensure that practices align with management expectations. Develop an operations manual that identifies all the tasks, duties, and other information needed. Incorporate the narcotics procedures manual into this operations manual.

Agree and will implement by June 30, 2011. As reported to Council on January 18, 2011, the Department is revising the General Order directing the policies and procedures for the Property Room. A manual describing narcotics, currency, firearms, and safekeeping and found property processing, as well as all property and evidence room procedures, will result from the revisions.

⁵ Separate, detailed procedures for purging narcotics are included in the narcotics-handling guidance.

Finding 3: Improve Internal Controls

Department policy requires property room staff to conduct audits⁶ of property and evidence. However, property room staff identify the items that they confirm are in storage. This presents a fraud risk. Someone without regular access to the property room should select the items and assist in performing the audits.

City Manager's Response to Finding

Agree.

Recommendation and City Manager Response

- 3.1 Require someone familiar with protocol, but not directly involved with the control of property and evidence, select the items for testing and participate in the audit.

Agree and implemented September 19, 2010. The International Association for Property and Evidence recommends bi-weekly auditing of shelved articles, as well as auditing from property logs. Our new practice is to have a lieutenant from investigations submit five or six case numbers and audit for proper storage of booked property. The lieutenant is present to ensure the evidence is in storage. In addition, we now have property room staff work in tandem. Staff will remove five or six random items from the shelf and audit the logs to ensure proper record keeping. This hybrid method tests both ends of property and evidence internal controls and exposes deficiencies.

Finding 4: Address Employee Health Concern and Inventory Test Discrepancies

Most items accounted for during inventory tests but some follow up is needed.

Due to unsafe conditions in the Conex, narcotics testing could not be completed: Fourteen packages selected for testing could not be safely handled because they were covered with mold and/or damaged. The auditor reported the health concern to the Occupational Health and Safety Officer. He performed an inspection and recommended the use of disposable masks until improvements are made.

⁶ Property and evidence room audits are intended to ensure the credibility of the automated property system and should not be confused with audits conducted by an independent agency, such as the City Auditor's Office.

We tested 266⁷ pieces of evidence and found:

Narcotics

- One piece of evidence could not be adequately examined for tampering. The red evidence seal was covered with a chain of custody print out. This appeared to be inadvertent.
- One evidence package was re-sealed with scotch tape, giving the appearance of tampering.
- Forty-nine items selected for testing could not be located. It appears that this evidence was destroyed but the property and evidence management system was not updated with the appropriate disposition code⁸.

Firearms

- Nine duplicate system records were identified.
- One firearm could not be located. According to the Police Chief, it was destroyed but the property and evidence management system was not updated with the appropriate disposition code.
- Firearms are not packaged consistently. Some are wrapped or boxed, while others are not. Most long guns are stored in such a way that they easily tip over. These concerns apply to all firearms stored in the property room, not only those selected for testing.

Safe

- Two items recorded as stored in the safe could not be located.
- One duplicate system record identified.

When items are not packaged or stored to prevent damage, it puts the integrity of the evidence at risk. Well-packaged property and evidence also allows staff to check for tampering and reduces the need to repackage⁹. The discrepancy between the management system and the actual items in storage could give the appearance of missing or stolen property and evidence.

⁷ The auditor tested 194 pieces of narcotics evidence, 38 firearms, and 34 items stored in the safe (reportedly used for high-value items) or recorded as property type "jewelry/precious metal."

⁸ Disposition codes are used to identify the location or status of property and evidence, e.g., stored property, destroyed, court, sealed, and BPD bank account.

⁹ The Department reported to Council on January 18, 2011 that it will create a standardized packaging manual. The manual will address the packaging concerns identified in finding four.

City Manager's Response to Finding

Agree.

Recommendations and City Manager Responses

- 4.1 Improve the Conex ventilation system to reduce employee health risks and protect evidence from damage and deterioration. In the interim, continue to have staff wear disposable facemasks.

Agree and will implement by June 30, 2011. Conex ventilation is sub-standard and a fan system is being installed. In the interim, staff continue to wear disposable facemasks.

- 4.2 Obtain a legal opinion to determine whether it is necessary to repackage the evidence covered with mold and/or torn, and to determine whether it is necessary to contact the District Attorney's Office to report the damage.

Agree and implemented December 2010. Repackaging was discussed with the current District Attorney. The DA requested that we treat each case individually. If repackaging is required, the DA will let us know on a case-by-case basis. Alternatively, a penal code section allows sampling in lieu of storing the bulk of the evidence. The District Attorney will advise us if that is acceptable, also on a case-by-case basis. In the interim, we have taken steps to prevent further damage.

- 4.3 Document that the 49 items of narcotics evidence recorded as stored evidence were destroyed. Update CRIMES with the "destroyed" disposition code.

Agree and implemented September 19, 2010.

- 4.4 Establish written policies and procedures to help ensure that property and evidence disposition codes are properly recorded in CRIMES.

Agree and implemented November 2010. The Department implemented new software, which includes a new property and evidence module that replaces CRIMES. There are written policies and procedures for property and evidence system records maintenance. Staff have been trained to properly record disposition codes. We continue to work with officers and Property Room staff to ensure proper recording of disposition codes.

- 4.5 Follow up on the two pieces of narcotics evidence that were not packaged correctly to ensure there was no tampering.

Agree and implemented July 2010. An internal audit was conducted and concluded that no tampering occurred.

- 4.6 Update CRIMES to remove the duplicate records.

Agree and implemented September 19, 2010.

- 4.7 Document that the firearm recorded as stored evidence was destroyed. Update CRIMES with the “destroyed” disposition code.

Agree and implemented September 19, 2010. The firearm was destroyed on March 19, 2001. The property management system has been updated to reflect the destruction.

- 4.8 Install shelving units for long guns to prevent them from tipping over.

Agree and alternative implemented September 19, 2010. Long guns have been removed from barrels and shelving space has been expanded. The long guns are firmly placed in these spaces so they remain upright and cannot easily tip over.

- 4.9 Determine the location of the two items stored in the safe that could not be located. Document the discovery and update CRIMES accordingly.

Agree and implemented September 19, 2010. One item was a money order, which was returned to the owner. The other item contained counterfeit bills, which were destroyed in accordance with policy. The property management system has been updated to reflect that the evidence is no longer in storage.

V. Fiscal Impact

Public confidence cannot be measured in dollars.

The Property and Evidence Room handled over 9,000 items of property and evidence in calendar year 2009. This includes narcotics evidence with an estimated street value of more than \$1,500,000 and over \$310,000 in currency.

Inadequately managed property rooms can further harm victims whose cases are dependent on the integrity of the evidence. It can also lead to a financial loss and a loss of public confidence.

VI. Conclusion

The property and evidence function is a critical element in the successful prosecution of criminals. Proper management helps ensure the integrity of the process and evidence. A poorly managed system can affect the City's ability to prosecute criminals and increases the risk of theft. Continuing to implement the recommendations in this report will help protect employee health, the City's reputation, and the integrity of evidence.

We would like to thank the Berkeley Police Department for requesting this audit, and for their continued cooperation and assistance. The Department's appreciation of the importance of making these improvements appears evident in the number of recommendations already implemented. As of March 1, 2011, the Police Chief reported 15 (75%) of the 20 audit recommendations made in this report as implemented.

Appendix A

Scope and Methodology

The primary focus of the audit was to determine the implementation status of the October 2006 POST study recommendations. Results were reported to Council on [January 18, 2011](#)¹⁰. The audit sub-objectives included identifying concerns that came to the auditor's attention, determining whether property room access was updated in accordance with policy, and a testing of inventory. The sub-objectives are reported on in this audit.

Survey work and fieldwork were performed between February 2010 and July 2010. The audit objectives were met by:

- Reviewing the California Commission on Peace Officer Standards and Training (POST) management study.
- Reviewing the POST property / evidence management guide.
- Reviewing procedures, documentation, and forms related to the management of property and evidence.
- Reviewing best practices and other guidance for property and evidence management.
- Having discussions with employees involved with property and evidence management.
- Performing walkthroughs of the property storage areas.
- Reviewing inventory detail.
- Obtaining evidence of April 2009 narcotics destruction and inventory.
- Reviewing and discussing keypad access reports.

Inventory testing was based a specific request form the Police Chief. We judgmentally selected evidence from the inventory detail as of March 22, 2010. We located the selected items and matched the packaging description, including quantity and weight for narcotics evidence, to the inventory management system. Narcotics testing included examining packaging for tampering but package contents were not examined. We did not obtain case management records to determine whether the inventory was still required.

¹⁰ [Property and Evidence Room POST Study: Follow-Up Report](#) (January 18, 2011)

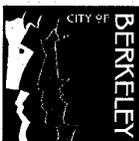
Our audit findings and recommendations do not heavily rely on information obtained from data systems. We did obtain the inventory detail from the property and evidence management system, CRIMES, and a personnel access report from the management software, Velocity. However, additional audit work was done that provided reasonable assurance that data from these systems, as it relates to the audit findings and recommendations, was reliable.

Fieldwork did not include reviews of laws applicable to the handling and management of property and evidence. It also did not include a detailed analysis of General Order P-65, or the consistency of all practices with the procedures described in the General Order.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. Those standards require that we plan and perform our audit to obtain sufficient and appropriate evidence that provides a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides reasonable basis for our findings and conclusions, based on our audit objectives.

At the request of the Berkeley Police Department, this performance audit was initiated by the Auditor's Office and scheduled as part of the fiscal year 2010 Audit Plan presented to Council on June 23, 2009.

Appendix B



BERKELEY POLICE DEPARTMENT MEMORANDUM



To: Ann-Marie Hogan, City Auditor Date: March 2, 2011

From: Michael K. Meehan, Chief of Police

Subject: **Police Property and Evidence Room: Further Improvements Report**

The Berkeley Police Department would like to thank the City Auditor and her staff for their efforts in conducting the Police Property and Evidence Room: Further Improvements. This audit was the second requested of the City Auditor. In the previous audit, we requested a review of our controls and procedures to determine the implementation status of the recommendations made by the California Commission on Peace Officer Standards and Training (POST). This audit was borne from observations made from the first audit to determine if other issues were in need of improvement.

In our responses, you will note that we have implemented, or are in the process of implementing, all audit recommendations including:

- Improved Storage Security
 1. Areas are equipped with alarms and access is monitored to ensure only authorized personnel are accessing the storage facilities
 2. Keys are issued only to property room personnel and supervisor.
- Establish a Comprehensive Property and Evidence Room Operations Manual
 1. Revision of current General Orders is to be completed by June 2012.
 2. A manual describing property processing will be completed by June 2011.
- Improve Internal Controls
 1. Auditing of the property room has begun with two internal audits completed and one external inventory of all items scheduled for later this month.
 2. Random audits will be conducted at a minimum of twice a month.
- Address Employee Health Concern and Inventory Test Discrepancies
 1. Ventilation in the storage locker will be improved by June 30, 2011.
 2. All items that were not located during City Auditors inspection have been located and properly recorded in inventory data base.

Thank you again for conducting the Berkeley Police Department Property and Evidence Room: Further Improvements audit. We share the City Auditor's commitment to ongoing review and enhancement and see this report as a guidepost to assist in the process.

Michael K. Meehan

Chief of Police

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