



**COLUMBIANA COUNTY DRUG TASK FORCE
COLUMBIANA COUNTY**

SPECIAL AUDIT

FOR THE PERIOD JANUARY 1, 2011 THROUGH NOVEMBER 21, 2012



Dave Yost • Auditor of State

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	3
Supplement to the Special Audit Report	
Background	5
Objective No. 1 – Cellular Telephone	6
Objective No. 2 – Prepaid Cash Cards	8
Objective No. 3 – Confidential Informant Funds	9

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INDEPENDENT ACCOUNTANTS' REPORT

Honorable Raymond Stone, Sheriff
Columbiana County Sheriff's Office
105 S. Market St.
Lisbon, OH 44432

We conducted a special audit of the Columbiana County Drug Task Force (Task Force) by performing the procedures described in the attached Supplement to the Special Audit Report for the period January 1, 2011 through November 21, 2012 (the Period), solely to:

- Quantify the amount expended during the Period for the Task Force cellular telephone used by the wife of former Task Force director Daniel Downard.
- Determine whether expenditures made during the Period using prepaid cash cards were supported and for a purpose related to the operations of the Task Force.
- Determine whether cash disbursements of confidential informant funds made during the Period to Task Force agents and/or informants were documented.

This engagement was conducted in accordance with the Quality Standards for Inspection and Evaluation established by the Council of the Inspectors General on Integrity and Efficiency (January 2012). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We examined disbursements made by the Task Force for cellular telephone service.

Significant Results – During the Period, former director Daniel Downard provided a new Task Force cellular telephone and case, together costing \$235, to his wife for personal use. The telephone used by his wife incurred monthly access charges and fees totaling \$1,333 paid by the Task Force.

We proposed a finding for recovery for public money illegally expended against Mr. Downard in the amount of \$1,568. In March 2014, Mr. Downard repaid \$1,568 to the Task Force. Accordingly, we considered this repayment a finding for recovery repaid under audit.

We also issued a management recommendation regarding cellular telephones.

2. We examined expenditures made by the Task Force using prepaid cash cards.

Significant Results – The Task Force purchased 15 prepaid cash cards valued at \$6,700 during the Period to be used by agents for gasoline purchases. The cards were used on 68 occasions to purchase gasoline totaling \$3,355. All transactions were for Task Force operations. The cash cards had a remaining balance of \$3,345 at the end of the Period.

We issued a management recommendation regarding mileage logs.

3. We examined disbursements of confidential informant funds by the Task Force.

Significant Results – Confidential informant funds totaling \$28,873 were disbursed during the Period by Task Force agents for drug buys, payments to informants and incidental purchases. Requests for use of the funds were documented on forms completed by the agents and in most cases were signed or initialed by the informants who received payments. Receipts supporting incidental purchases, such as gasoline for Task Force vehicles, were maintained in all but one instance.

In January 2013, an inventory of the confidential informant funds determined that cash on hand at the end of the Period was \$6,627. In April 2013, Mr. Downard returned \$5,000 of confidential funds making the ending balance of cash on hand \$11,627. Using a beginning balance provided by the Task Force and request forms completed by the agents, we calculated the ending balance of cash should have been \$7,055. We could not determine the reason for the difference.

We issued a management recommendation regarding confidential informant funds.

As head of the Task Force, we provided Sheriff Stone a draft of our report. The Sheriff waived a formal exit conference and elected not to submit a response to the report.



Dave Yost
Auditor of State

May 21, 2013

Supplement to the Special Audit Report

Background

The Columbiana County Drug Task Force is a multijurisdictional task force created for the sharing of police resources, services and equipment to undertake joint operations to stop the trafficking of illegal drugs. Member agencies include Columbiana County Sheriff, Columbiana County Prosecutor, Village of Lisbon and Village of Leetonia. Member agencies provide personnel to operate the Task Force. The individual agencies pay for salaries and benefits from their respective budgets.

In November 2012, Columbiana County Sheriff Raymond Stone contacted the Auditor of State's Youngstown Region with concerns regarding the operations of the Task Force and director Dan Downard. The allegations included possible misuse of a Task Force cell phone by the director's wife and misuse of prepaid cash cards. The Sheriff also requested a review of confidential informant buy funds.

Sheriff Stone also relayed his concerns to the Attorney General's Bureau of Criminal Investigation and Identification and to the Task Force Board of Control which includes the Columbiana County Prosecutor. Mr. Downard was then removed from his position as director of the Task Force and placed on administrative leave from his position as a patrolman with the Lisbon Police Department.

The information was considered by the Auditor of State's Special Audit Task Force and on December 10, 2012, the Auditor of State initiated a special audit of the Columbiana County Drug Task Force.

Supplement to the Special Audit Report

Objective No. 1 – Cellular Telephone

Procedures

We identified and summarized the charges for the cellular telephone used by the former Task Force director's wife.

Results

During the Period, the Task Force obtained cellular telephone service from Verizon Wireless. The monthly cellular bills were approved for payment by former Task Force director Daniel Downard.

At the direction of Mr. Downard, the Task Force purchased and paid monthly fees for a cellular phone for his wife, who was not a Task Force employee. Additionally, in June 2012, an email from Verizon Wireless to Mr. Downard confirmed the order of six iPhone cases. The receipt for purchase of the cases listed a pink case costing \$35. In November 2012, Mr. Downard returned the cellular telephone used by his wife with a pink case attached.

Finding for Recovery Repaid Under Audit

As director of the Columbiana County Drug Task Force, Daniel Downard was responsible for the oversight of Task Force funds and daily operations. Mr. Downard was also responsible for approving expenditures and issuing equipment to Task Force agents.

During the Period, Mr. Downard provided a Task Force cellular telephone to his wife and incurred monthly access charges and fees totaling \$1,333. Additionally, a new cellular telephone and case costing \$200 and \$35, respectively, were purchased and provided to his wife. According to Columbiana County Sheriff Raymond Stone, the expenditures were not authorized by the Task Force Board of Control and not for the purposes of the Task Force.

We proposed a finding for recovery for public monies illegally expended in the amount of \$1,568 against Mr. Downard, in favor of the Columbiana County Drug Task Force. In March 2014, Mr. Downard repaid \$1,568 to the Task Force. Accordingly, we considered the repayment a finding for recovery repaid under audit.

Management Recommendation

Cellular Telephones

The Columbiana County Drug Task Force policy for Cellular Device/Wireless Communication Usage states in part, "(c)ell devices provided by the Drug Task Force are for work related communications and should be used as such." The policy further states, "(a)t the end of each billing period each agent assigned a cellular device will be provided a copy of the bill detailing the cost and usage of the device assigned to that agent. Each agent will review the bill and highlight any calls/usage that they know to be non-work related. The agent will then sign and return the bill to the director or secretary." Agents were required to reimburse the Task Force in the event their personal usage exceeded the standard plan rates.

Supplement to the Special Audit Report

During the Period, a Task Force cellular telephone was provided to the wife of the director for personal use. Additionally, cellular telephone bills were signed by the agents only on a few occasions. By not enforcing the existing cellular telephone policy, the Task Force may incur excessive costs for personal usage.

We recommend that all agents review the existing cellular telephone policy. We also recommend the Task Force require agents to sign an acknowledgement form documenting the agent's receipt and agreement to comply with the Task Force's policies and procedures. Agents should be required to sign their monthly bills and a supervisor should review the bills for excessive personal usage.

Supplement to the Special Audit Report

Objective No. 2 – Prepaid Cash Cards

Procedures

We identified the number of prepaid cash cards purchased during the Period and obtained card usage documentation.

We examined the usage documentation to determine whether purchases made using the cash cards were supported and for Task Force operations.

Results

Former Task Force director Daniel Downard purchased 15 cash cards valued at \$6,700 during the Period to be used by agents for gasoline purchases for Task Force vehicles. Documentation indicated the cards were used on 68 occasions for the purchase of gasoline totaling \$3,355. All transactions were supported and for Task Force operations. Based on examination of documentation obtained from the card vendor, we determined the cash cards had a total remaining balance of \$3,345 at the end of the Period.

Management Recommendation

Mileage Logs

The Task Force provided prepaid cash cards to be used for gasoline purchases by the Task Force agents. There was no policy in place regarding the use of these cards and no mileage logs were maintained by the agents to support the purchase of gasoline.

Without a policy regarding use of cash cards or the requirement for documentation, such as mileage logs, supporting the use of cards to purchase gasoline for Task Force related business, risk is increased that the cards may be used for personal purchases.

We recommend the Task Force adopt a policy to clearly document its intentions for the use of prepaid cash cards. Additionally we recommend the use of mileage logs by each Task Force agent. The mileage logs should include such information as dates, destination, purpose, and nature of the task. The mileage logs should be completed and signed by the employee and submitted monthly along with any supporting receipts for the use of prepaid cash cards.

Supplement to the Special Audit Report

Objective No. 3 – Confidential Informant Funds

Procedures

We quantified the amount of funds disbursed for confidential informants during the Period and determined whether the disbursements were supported.

We scanned the confidential funds bank account statements and canceled checks for unusual transactions or payees.

We identified cash returned or not disbursed to calculate the amount of ending cash that should have remained after usage and compared the ending cash figure to actual cash on hand.

Results

The Task Force maintained six bank accounts during the Period, including the Confidential Funds account which was funded by law enforcement grants received by the Task Force. During the Period, six disbursements totaling \$26,094 were made from the Confidential Funds bank account. Five of the disbursements were cash withdraws totaling \$26,000 that were used for drug buys and payments to informants. Three of the cash withdrawals were not supported by a form documenting the withdrawal. A disbursement of \$94 from the Confidential Funds bank account was deposited in the Equipment Fund account to replace money spent on an informant.

On 97 occasions, cash totaling \$28,873 was used by the agents for buys, payments to informants or incidental purchases, such as fuel for Task Force vehicles. The cash usage was supported by request forms completed by the agents and approved by the director. In most cases the forms were also signed or initialed by the informants. Receipts were maintained in all but one instance for the incidental purchases.

The Task Force tracked the balance of cash on hand using a computerized ledger program. The ledger indicated the cash on hand balance as \$214 at the end of the Period; however, the ledger did not include four agent requests for funds and three replenishments of cash, as well as other discrepancies. Based on the reported ledger balance at the beginning of Period, we calculated the ending balance of cash on hand to be \$7,055.

An inventory of cash conducted at the Task Force office determined the actual cash on hand was \$6,627 at the end of the Period. Additionally, in April 2013, former director Daniel Downard returned \$5,000 of confidential informant funds in his possession making the total cash on hand \$11,627. The funds, along with miscellaneous equipment, were returned by Mr. Downard through his attorney when he resigned from the Lisbon Police Department in April 2013. We could not determine the reason for the differences between the ledger total, our re-calculated cash on hand total and the actual cash total.

We scanned the five other Task Force bank accounts and noted no unusual transactions. We noted eight disbursements that lacked supporting documentation. These disbursements appeared reasonable and for purposes related to the operation of the Task Force.

Supplement to the Special Audit Report

Management Recommendation

Confidential Informant Funds Cash on Hand

The Columbiana County Drug Task Force Policy and Procedures manual section titled Expenditure of Funds: Payment of Informants states in part, "(t)he Task Force Commander will be accountable for all confidential funds assigned to him/her. He/she will also keep a balanced set of books."

We noted the following issues related to confidential informant funds cash on hand:

- The Task Force did not have an accurate accounting of the use of confidential informant funds cash on hand;
- Three cash withdrawals from the Confidential Funds bank account were not documented;
- Reconciliations of cash on hand to the ledger and bank balance were not conducted;
- The former director had \$5,000 of confidential informant funds in his possession which he returned nearly five months after being placed on administrative leave; and
- An inventory conducted of the Task Force office identified significant amounts of cash in multiple locations, including the director's desk drawer. The inventory also identified evidence bags containing cash dating back to 1996.

Lack of documentation and controls over cash increases the risk that cash may be diverted or used for unauthorized purposes.

We recommend the Task Force develop procedures that specifically address management of confidential informant funds and cash on hand. The procedures should establish a maximum amount of cash on hand to be maintained in the office and require excess cash above this amount be deposited in the bank after use. We also recommend cash on hand be reconciled monthly to the request forms, ledger and bank balance. The reconciliation should be documented, and reviewed and signed by someone other than the preparer.



Dave Yost • Auditor of State

COLUMBIANA COUNTY DRUG TASK FORCE

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 8, 2015