



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER 0

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DATE: 6/26/2012

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE TARRANT COUNTY SHERIFF'S OFFICE CONTROLS OVER INMATE PROPERTY**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's report of the County Sheriff's Office controls over inmate property.

BACKGROUND:

The Auditor's Office performed a review of the Sheriff's Office controls over inmate property as of February 29, 2012. The objective of the review was to determine whether the Sheriff's controls were adequate to reasonably ensure that inmate personal property, including money, obtained during booking was properly recorded and secured. The audit was limited in scope for two (2) reasons: 1) the Sheriff would not grant the Auditor's Office access to the property room to observe the security of inmate property; and 2) due to inadequate controls over source documents, the Auditor's Office cannot determine whether all inmate property, including money, received during the booking process was accurately recorded.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY

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May 1, 2012

The Honorable Dee Anderson, Sheriff
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

RE: Auditor's Report – Sheriff's Office Controls over Inmate Property

SUMMARY

In accordance with Local Government Code, Subchapter A, §115.001, Examination of Records, and §115.002 Examination of Books and Reports, we performed a review of the Sheriff's Office controls over inmate property as of February 29, 2012. The objective of our review was to determine whether the Sheriff's controls were adequate to reasonably ensure that inmate personal property, including money, obtained during booking was properly recorded and secured. *Our audit was limited in scope for two reasons:*

- 1) *The Sheriff would not grant us access to the property room to observe the security of inmate property; and*
- 2) *Due to inadequate controls over source documents, we could not determine whether all inmate property, including money, received during the booking process was accurately recorded. (See Observation 1)*

During our review, we identified the following issues that require management's attention:

Observation 1 Accountability over inmate property, including money and other property, is not adequate.

Observation 2 The Sheriff's Office could not provide a report showing the total inmates booked during the review period.

We discussed these issues with the Sheriff on May 17, 2012.

BACKGROUND

Government Code, Sec. 501.014 (a), Inmate Money states:

The department shall take possession of all money that an inmate has on the inmate's person or that is received with the inmate when the inmate arrives at a facility to be admitted to the custody of the department and all money the inmate receives at the department during confinement and shall credit the money to an account created for the inmate...

The function of receipting, recording, reporting and depositing of the inmate funds is the responsibility of the Confinement Money Room within the Sheriff's Office. The Sheriff's Office uses the mainframe Inmate Trust System to record monies received to the inmate trust fund. As of February 2012, the balance of the inmate trust fund totaled \$170,600.

In the event of lost inmate property, a claim is submitted to the Risk Management Board for approval. During the 24 month period ending February 15, 2012, inmates filed 35 claims for lost property. Only nine of those claims, totaling \$1,261.50, were approved for payment by the Risk Management Board.

OBSERVATIONS AND RECOMMENDATIONS

Observation 1 *Accountability over inmate property, including money and other property, is not adequate.*

Background

The Sheriff's Office uses two forms during the booking process: 1) the Inmate Property Record and 2) the Clothing Record. The Inmate Property Record lists the currency, checks, and other property, such as jewelry, keys, and wallets, obtained from an inmate during the booking process. These items are placed in a sealed bag and stored in the Sheriff's property room. Both the booking officer and the inmate sign the form. Upon release, the inmate and the inventory officer sign the form indicating acknowledgement that the property bag was sealed when returned and accepted by the inmate.

The Clothing Record form lists the clothing, including shirts, pants, shoes, belts, etc., obtained from the inmate during booking. Clothing items are placed in a sealed bag and stored in the Sheriff's property room. This form also includes a statement listing the County property issued to the inmate and is signed by the inmate and the officer. Upon release, the inmate and releasing officer sign the form certifying that County property was returned by the inmate.

Observation

Accountability over inmate property, including money and other property, is not adequate. Specifically, the documents used to record inmate property during the booking process are not sequentially numbered, inventoried, and reconciled at the close of each shift. We also noted that procedures did not require that the inmate and the officer sign the Clothing Record form confirming that the inmate's property items listed on the form are correct and subsequently returned to the inmate upon release.

As a result, there is no assurance that all property received during the booking process, particularly cash, was accurately recorded. Based on our limited testing, we identified the following issues related to inmate cash and other property.

Cash

Although the money room performs a reconciliation of the cash received from booking to the amounts recorded in the inmate trust accounts, *procedures are not adequate to verify that all money received during the booking process is actually remitted to the money room.*

To determine whether the cash remitted to the money room was recorded accurately, we selected 25 new inmate trust accounts recorded during the period February 23, 2012 through February 29, 2012 for review. For each account selected, we traced the opening amount posted in the inmate's account to the amount recorded on the Inmate Property Record form. We observed that one Inmate Property Record form, signed by the inmate and the officer, did not show that any cash was received during booking. However, \$300 was posted to the inmate's trust account. Upon release, the inmate signed for and accepted the amount in his trust account. According to Sheriff's Office staff, the booking officer failed to record the money on the Inmate Property Record form. However, he had placed the money in an envelope with the inmate's name and information in the drop box to be forwarded to the money room. The money room staff recorded the \$300 in the inmate's trust account.

Other Property

Other inmate property, including jewelry and clothes, is not recorded in an electronic system or database. Other property is documented only on the Inmate Property Record and/or Clothing Record forms.

We reviewed all nine paid claims approved by Risk Management and two unpaid claims during the period of February 2010 through February 2012 for lost property. We requested documents relative to these claims, including the appropriate Inmate Property Record and the Clothing Record forms, and found instances where the forms could not be located or the inmate had not signed the form. Specifically:

1. The Sheriff's Office could not provide an Inmate Property Record for three claims. Risk Management approved payment for two of these claims in the amounts of \$380 and \$60, and one claim was denied.
2. The Inmate Property Record relative to one claim was not signed by the inmate during the *booking process*. Furthermore, a different inmate signed the record during release. Risk Management approved payment of this claim in the amount of \$250.
3. The Inmate Property Record relative to one claim was not signed by the inmate during the *release process*. The record shows one ring with stones inventoried during booking and signed by the inmate and officer. Upon release, the inmate filed a claim stating that the ring was not in the property bag. The inmate did not sign the record upon release. Risk Management denied payment of this claim.

Recommendation

Given the number of inmates processed through the jail, an automated system should be considered to inventory all inmate property received, including cash, jewelry, and clothing, during the booking process. Pictures could also be taken of personal property and attached to the inmate electronic files. However, we understand that resources are limited.

Control documents used to document inmate property should be signed by the inmate, the booking officer, and the release officer. Also, control documents, including the Inmate Property Record and Clothing Record, should be sequentially pre-numbered in triplicate. These forms should be used in sequential order. One copy of the form should be provided to the inmate, the second copy should be remitted to the money room, and the third copy should be placed in the inmate file. All of the forms should be accounted for, and any missing forms should be researched.

At least at the close of every shift, each booking officer should perform a reconciliation of amount of currency recorded on the Inmate Property Record forms to the amount of currency on hand before cash is forwarded to the money room for recording into the inmate trust accounts. Any overages or shortages should be researched by the officer.

Observation 2 The Sheriff's Office could not provide a report showing the total inmates booked during the review period.

Observation

During our review, we requested a report showing all inmates *booked* during the month of February 2012. A complete list of all inmates booked during the requested period could not be provided by the Sheriff's Information Technologies staff. Rather, Jail Population Reports, generated from the Criminal Justice Mainframe System, include those inmates currently in confinement (active status). Those inmates released become inactive and, therefore, will not appear on the report.

We communicated this issue to the Sheriff's IT staff during our review. IT created a *daily* data file that will include all new inmates booked in for the day. IT will compile these files on a daily basis and forward to the Auditor's Office each month. *No further recommendation required.*

CLOSING REMARKS

We appreciate the cooperation of the Sheriff's Office staff during our review. Please call me if you have any questions regarding the contents of this report.

Sincerely,

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S. Renee Tidwell, CPA
County Auditor

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June 22, 2012

TO: Renee Tidwell, Auditor

FROM: Sheriff Dee Anderson

REFERENCE: Auditor's Report – Controls over Inmate Property


The Tarrant County Sheriff's Office is in receipt of the recent audit findings for our controls over inmate property. Our initial reluctance to participate in this non-mandated audit centered over concerns the audit staff would not fully understand jail operations, and perhaps misinterpret or fail to understand how and why some things are done in relation to inmate property.

Our concerns proved to be legitimate, as we spent a great deal of Command Staff time refuting some initial "findings" which proved to be erroneous.

All of the findings and recommendations made during the audit are issues we have previously discussed. Many are simply not cost efficient and would mean a considerable investment in a system that is old, antiquated and needs to be replaced. We have included an entire new system to handle property in previous budget requests. The current system is now more than 20 years old.

In the attachment, please find our response to the remaining findings. As noted, despite handling over 70,000 transactions of inmate property per year, total loss in dollars is less than \$600 annually to the County. This rate is far below the national averages in both retail and banking practices.

We appreciate the cooperation, courtesy and diligence shown by the Audit Staff.



Sheriff Dee Anderson

DA/sp-c

Auditor's Observation inaccurate:

1. "We also noted that procedures did not require that the inmate and the officer sign the Clothing Record form confirming that the inmate's property items listed on the form are correct and subsequently returned to the inmate upon release".

Sheriff's Department Response: Procedures do require that the officer and the inmate sign the Clothing Record. When forms have been determined to be improperly completed, corrective action up to and including, disciplinary action has been taken.

Cash Observation:

Sheriff's Department Response: The Inventorying Officer did not record the fact that the inmate possessed \$300.00 on the inmate property record form. This action was actually correct.

The inmate was a transfer from the Mansfield Jail and his money had already been collected at the time of his processing at Mansfield. The inmate's money was placed in an envelope prior to his leaving the Mansfield Jail with his name and identifying information on it as per our procedures. When the transportation van arrived at the Tarrant County Jail with the inmate and his property, the envelope containing his money was placed in the money safe located in the intake vestibule and later retrieved by money room personnel and subsequently added to his inmate account when the reconciliation process was completed by the money room personnel.

The \$300.00 was located in the money drop safe inside the envelope with the inmates identifying information on the envelope pursuant to normal inmate processing procedures. When the money room collected the contents of the drop safe the envelope was accounted for and the money properly added to the appropriate inmates account.

Corporal Pedigo has been the supervisor over the money room since the mid 90's. I have verified with Cpl. Pedigo that since he has been supervising the money room operations we have been and continue to reconcile the inmate trust fund accounts at the end of each shift. Furthermore, I have personally reviewed and verified the associated documentation to confirm this process is being completed.

Auditor's Recommendation:

1. Automated system

Sheriff's Department Response: Several automated systems have been evaluated and recommendations have been made for implementation of such a system if funds were to be made available. The basic system that was evaluated started at approximately \$ 54,000.00. That system was not determined to have sufficient durability or the features necessary to justify the associated cost. The system that was recommended based on the space allotted, number of property items

processed and other factors considered pursuant to this review, would start at approximately \$ 125,000.00 with upgrades available that would increase the overall cost as the system moved into full operation.

Furthermore, the existing inmate property system in use at the Tarrant County Correction Center handles virtually all of the inmate property for our entire inmate population of approximately 3,315 at this time. The system was only designed to handle the property associated with approximately 2,000 inmate's and has been in constant use since the Tarrant County Correction Center was opened in 1991.

While the Facilities staff has done a remarkable job and continued to make repairs to the system to keep it functioning, the system is over 20 years old and some parts are not even available any longer.

Auditor's Recommendation:

2. Control documents should be signed and should be sequentially pre-numbered.

Sheriff's Department Response: Procedures do require that the officer and the inmate sign the Clothing Record. When forms have been determined to be improperly completed, corrective action up to and including, disciplinary action has been taken.

The recommendations from the Auditor's Office to utilize sequentially numbered inmate property forms would substantially increase the cost of the forms themselves. At least two forms would need to be sequentially number, the clothing record and the personal property record.

Current cost of the clothing forms:	\$ 1,600.68 annually
Sequentially number forms:	\$ 3,553.80 annually
Estimated additional cost:	\$1,953.38 annually
Current cost of the personal property forms:	\$ 1,829.04 annually
Sequentially number forms:	\$ 4,523.40 annually
Estimated additional cost:	\$ 2,694.36 annually

Based on our current inmate population and the number of forms currently utilized, the cost of the forms alone would be a minimum cost increase of \$ 4,647.74 annually, or almost eight times the annual cost of paid claims.

It would not be reasonable to utilize a sequentially numbered form if you did not add a review/audit verification process.

Based on my review of the system, approximately 1.5 to 2.0 hours per shift would need to be allocated to this process in order to accurately complete and track the results in any meaningful

way. At 2 hours per shift 3 times a day times 365 days a year equals 2190 man hours per year. A Grade 14 clerk's starting hourly rate \$ 12.94 hour X 2190 = \$ 28,338.60 plus benefits package.

(Reference data: Generally accepted number of work hours in a year = 2080)

Additional forms cost per year \$ 4,784.28

Additional personnel cost per year \$ 28,338.60 + benefits.

I evaluated moving to a sequentially number form upon my initial review of the inmate property system. After considering the cost of such a change and the relatively minimal losses experienced over the time period evaluated, I determined that it would not be fiscally responsible to implement these changes.

Another recommendation that has been evaluated is to improve the quality of the inmate property bags themselves. Some of the lost property has been identified as being lost due to torn or damaged inmate property bags. A new property bag of a higher quality has been identified that would significantly reduce the opportunity for loss in these cases.

If we were to purchase these from an outside supplier the estimated cost is approximately \$ 25.00 each @ 3500 = \$ 87,500.

If we produced the bags the approximate cost drops to \$ 13.00 each @ 3500 = \$ 45,500.

The inmate property bags currently in use cost \$ 1.91 each.

If we utilized a bag we produced at a cost of \$ 13.00, and subtracted the cost of the bag currently in use \$ 1.91, based on an estimated annual loss of \$ 600.00, it would take approximately 65 years of zero losses to recoup the initial cost of these bags.

$(13.00 - 1.91 = 11.09 \times 3500 = 38,815 / 600.00 = 64.6916)$

The new bags specified only have an estimated life expectancy of approximately 3 – 5 years.

In Conclusion: I do agree that there are areas within the inmate property system that can be improved upon and we are constantly evaluating the process and experimenting with new ideas. Some of the ideas that have been tried have been productive and others have not. As with all systems that rely on human involvement there is a degree of human error and potential for theft. Based on the quantity of property handled each year and the number of claims made I believe that our staff is doing an exceptional job overall.

Most of the ideas that have been recommended in an attempt to reduce lost or damaged inmate property have had a significant cost associated with them, which after a comprehensive evaluation have been determined to be cost prohibitive based on the losses experienced.

Upon being assigned the responsibility of supervision over the inmate property room I conducted a review of the claims associated with inmate property beginning with 2006.

2006	12 claims	4 paid =	\$ 786.38
2007	11 claims	3 paid =	\$ 453.98
2008	12 claims	5 paid =	\$ 607.97
2009	11 claims	4 paid =	\$ 553.00
2010	17 claims	4 paid =	\$ 662.50
2011	19 claims	6 paid =	\$ 509.00

(Total \$ 3,572.83 / 6 yrs = \$ 595.47)

Source: Paul Wood, Tarrant County Risk Management Specialists

While the time frame evaluated was not identical, (the auditor's office used a 24 month period ending February 15, 2012) where as I utilized (fiscal year data) the source of the data came from the same ultimate source. (Auditors number = \$ 1,261.50 / 2 = \$ 630.75)

As you can see the Auditor's number was only slightly higher than the average over the last 6 fiscal years of \$ 595.47.

One of the changes implemented in mid 2011 was the use of heat sealed clear plastic inmate property bags. (Purchased heat sealers and continuous roll bags)

The change from the standard size plastic bags that were not being heat sealed at the time was not a significant cost factor and while no significant decrease in lost property claims has been observed I believe that the accountability factor does justify the minor increase in the overall cost involved in this process.

Evaluations of the inmate property forms were conducted from approximately January 2011, through April 2011. Based on those evaluations, modifications were made to the forms which resulted in some new forms being implemented in May 2011. We are in the process of implementing some additional changes to the forms currently in use based on recommendations from the Tarrant County Risk Management Board.

On March 8, 2012, automatic time/date stamp machines were requisitioned for property intake and property release in order to time/date stamp the property transactions. Those time/date stamp machines have now been received and placed into service at a cost of \$ 1,645.55.