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October 16, 2001

Honorable Mayor and Members of the
Board of Commissioners
City of Lakewood
3401 Hadley Avenue
Old Hickory, TN 37138

Ladies and Gentlemen:

We have completed our special purpose examination of the City of Lakewood Police Department. Our examination focused on the period July 1, 2000, through May 31, 2001. However, when the examination warranted, this scope was expanded.

Our examination detected the following weaknesses:

1. The police department referred certain court cases to the county courts. However, the department did not keep a record of the cases turned over to the county courts and did not assign responsibility for identifying and following up the cases turned over to the county courts. Therefore, the city was not assured of receiving all fines due. State statutes provide that fines from cases involving drug offenses and driving under the influence (DUI) offenses be paid to the jurisdiction which initiated the arrest. Section 55-10-303, *Tennessee Code Annotated*, regarding DUI cases, states, "The fines, penalties, and forfeitures of bonds imposed or collected under § 55-10-401 shall be paid to the jurisdiction which initiated the arrest. . . ." Regarding drug-related cases, Section 39-17-420, *Tennessee Code Annotated*, states:

[A]ll fines and forfeitures of appearance bonds received because of a violation of any provision of this part and that are specifically set forth in this part, and the proceeds of goods seized and forfeited under the provisions of § 53-11-451 and disposed of according to law, shall be accounted for in a special revenue fund of the jurisdiction that initiated the arrest.

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2. The police chief did not ensure that police department personnel maintained a complete, updated inventory of applicable confiscated property. Our examination revealed that, although an evidence/property log was maintained, it was not complete. In addition, although the property room was in a secure area, access to the room was not sufficiently restricted to provide accountability and responsibility for the property. In one instance, auditors were unable to locate a handgun confiscated by a Lakewood police officer. The auditors, as well as a member of the Lakewood Police Department, searched the department's evidence room for this weapon and were unable to find it. However, six weeks after this weapon was found to be missing, the police chief apparently found the gun in the evidence room. He stated that someone had apparently hidden the handgun under some other property. Although confiscated property does not legally belong to the city, the police department is responsible for the property. *The Internal Control and Compliance Manual for Tennessee Municipalities*, Title 1, Chapter 4, Section 3, states, "Municipal officials should . . . require that a record of movable, high-risk, sensitive property . . . be established and maintained. . . ."
3. The police department maintained custody of drugs and drug paraphernalia seized pursuant to Section 53-11-451, *Tennessee Code Annotated*. However, the department did not follow the procedures set forth in state statutes for the disposal of those items. A complete, updated inventory of evidence was not maintained and applicable seized drugs and drug paraphernalia were not destroyed annually as required by law. Auditors observed drug evidence from cases as early as 1987.

Section 53-11-451(j), *Tennessee Code Annotated*, states:

(j) Any property of the type set forth in subdivisions (a)(1) and (7) which is in the custody and possession of a clerk of any court of this state by virtue of the property having been held as evidence or exhibits in any criminal prosecution where all appeals or potential appeals of a judgment have ended, or when the case has been dismissed or otherwise brought to a conclusion, shall be disposed of as follows:

(1) The clerk of the court having custody of the property to be disposed of shall, no less than once annually, inventory the same and prepare a list of the property proposed to be destroyed with references to the cases involved and the name of the case, the case number and date when such property was used;

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(2) The clerk shall submit the inventory list with a filed petition to the court and shall serve a copy of the petition upon the district attorney general. After determining that the listed property is not needed as evidence in any pending or potential judicial proceeding, the court shall order the property to be destroyed; and

(3) The clerk, or such deputy clerk as the clerk may designate, shall completely destroy each item by cutting, crushing, burning or melting and shall file, together with the petition and order relating to the destroyed property, an affidavit concerning such destruction, showing a description of each item, the method of destruction, the date and place of destruction, and the names and addresses of all witnesses to the destruction.

4. Several current and former Lakewood Police Department employees were also employed by the Government of Metropolitan Nashville (Metro). Time records obtained from Metro's internal audit section indicate that on several occasions, some employees were on duty for both Metro and Lakewood simultaneously. In addition, on several other occasions, fueling records obtained from Metro's internal audit section indicate that Metro vehicles assigned to some of these employees were fueled while those employees were on duty with Lakewood Police Department.

The mayor and board should ensure that city officials implement controls to correct the identified weaknesses.

If you have any questions concerning the above, please contact me.

Sincerely,

Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit