



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF MUNICIPAL AUDIT

Justin P. Wilson
Comptroller of the Treasury

BANK OF AMERICA PLAZA
414 UNION STREET, SUITE 1100
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 532-4460
FAX (615) 532-4499

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

August 12, 2010

Honorable Steven Bebb
District Attorney General
P. O. Box 1351
Cleveland, TN 37364-1351

Dear General Bebb:

Pursuant to your request, we have concluded our investigative audit of selected records of the Vonore Police Department. The purpose of the investigative audit was to address specific allegations related to the department's drug fund and evidence room. Our investigative audit focused on the period July 1, 2007, through October 31, 2009. However, when warranted, this scope was expanded.

We found no indication that confidential funds were used for personal purposes. However, we did determine that the department had not complied with all provisions of the *Procedures for Handling Cash Transactions Related to Undercover Investigative Operations of County and Municipal Drug Enforcement Programs* developed pursuant to Section 39-17-420(f), *Tennessee Code Annotated*. We noted the following deficiencies:

- Confidential funds were used to purchase food for officers on four occasions. This does not appear to be an allowable use of drug funds, pursuant to Section 39-17-420, *Tennessee Code Annotated*, or an expenditure that would necessitate using confidential funds.
- The department's use of confidential funds was not adequately documented as required by the *Procedures for Handling Cash Transactions Related to Undercover Investigative Operations of County and Municipal Drug Enforcement Programs*. Documentation did not always clearly show how much cash was given to confidential informants for the purpose of making drug purchases. In addition, the quantity of drugs purchased was not always documented. Finally, there was no documentation of any unused cash returned or cash otherwise subsequently recovered.

Honorable Steven Bebb
District Attorney General
August 12, 2010
Page 2

- There was not adequate supervisory review of documentation supporting confidential funds transactions.

Our investigative audit also found that a pickup truck seized pursuant to a narcotics arrest was sold for parts and was not sold at public sale as required by Section 53-11-201(b)(1), *Tennessee Code Annotated*. In addition, we were unable to determine the disposition of an all-terrain vehicle seized in connection with another narcotics arrest.

We began field work on this audit on October 27, 2009 and completed field work on December 3, 2009. During the course of our audit field work, we advised police officials to secure and protect certain records concerning certain undercover police investigations. Subsequent to our audit field work, on July 14, 2010, we were notified by police officials that certain confidential investigative files and personnel records could not be located at the police department.

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

Very truly yours,



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

DFD/RAD