



**DATE:** November 30, 2022  
**TO:** Teresa Biffle, Interim Chief of Police  
**FROM:** Internal Audit Division  
**SUBJECT:** Federal Forfeiture-Soabar Office Space Grant  
(No Response Required)

The Internal Audit Division has performed a review beginning on October 17, 2022 of the FF-Soabar Office Space Grant. The Finance Accounting Unit for this Greensboro Police Department (GPD) Grant was (220-3579-01, 220-3579-02 & 220-3579-03).

**APPROVAL OF THE CITY COUNCIL:**

Ordinances were approved by the City Council as follows:

Ordinance #18-0048:	\$285,000	A/C# 220-3579-01	2/20/2018
Ordinance #18-0048:	\$500,000	A/C# 220-3579-02	2/20/2018
Ordinance #18-0753:	\$100,000	A/C# 220-3579-02	12/18/2018
Ordinance #20-0041:	\$ 45,000	A/C# 220-3579-03	1/21/2020
Total	\$930,000		

Ordinance #18-0787: \$964,947 for A Vogt Construction December 18, 2018

**PURPOSE:**

The GPD and the Water Resources Department (WRD) are partnering to move police personnel from their remaining footprint at J. Edward Kitchen Operations Center to Water Resources newly purchased property at 2305 Soabar Street. This appropriation is necessary to up fit the police portion of the Soabar Street property. A budget ordinance needs to be approved by the City Council to permit the expenditure of funds

**BACKGROUND:**

The GPD and the Water Resources Department received City Council approval to purchase their Water Resources Operational Construction Yard at 2305 Soabar Street (Res#63-17). It was the desire of both departments that the GPD move into the office area at the front of the Soabar location which will serve as the Patrol District 2 substation.

By moving to the Soabar location, the GPD will be able to offer public access and services. Furthermore, Water Resources will be better positioned for future growth and will be able to better address current space limitations.

Title 21, United States Code, Section 881(e) allows local law enforcement agencies to share in the proceeds from the sale of seized assets and cash from certain criminal investigations. The Department

of Justice’s Guide to Equitable Sharing for State and Local Law Enforcement Agencies states “Equitable Shared Funds received from the Asset Forfeiture Program may be used for the costs associated with the purchase, lease, construction, expansion, improvement, or operation of law enforcement or detention facilities used or managed by the recipient agency and as directed by the Chief of Police.”

The authority of the Secretary of the Treasury to share federally forfeited property with participating federal , state and local law enforcement agencies is established by federal law at 18 U.S.C Paragraph 981 (e), 19 U.S.C. Paragraphs 161a(c) and 31 U.S.C. and Paragraphs 9703 (a)(1)(G) and 9703(h).

The Department of the Treasury Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies April 2004 states “The costs associated with basic and necessary facilities, their construction, updated, remodeling, furniture, safes, file cabinets, telecommunications equipment, etc., that are necessary to perform official law enforcement duties are permissible uses of the funds.”

**BUDGET IMPACT:**

There is no adverse budgetary impact to the police general fund budget. The GPD wishes to use proceeds estimated at \$785,000 (amended to \$885,000) of Asset Forfeiture to renovate the front administrative office area at 2305 Soabar Street to create a Patrol District 2 substation. The funds will in housed in 220-3579-01, 220-3579-02 and 220-3579-03.

**RECOMMENDATION/ACTION REQUESTED:**

It was recommended and requested that the City Council adopt the budget ordinance

**BUDGET**

FF-Soabar Office Space

Accounting					Budget	Actual	Budget over/(Under)
Unit	Account	Description	Budget	Actual	Actual		
220 3579 1	5214	Office Equip. & Furn.	100,000.00	165,864.05	(65,864.05)		
220 3579 1	5235	Small Tools & Equip.	68,772.00	18,059.50	50,712.50		
220 3579 1	5432	Desktop Lease Services	54,024.00	38,421.54	15,602.46		
220 3579 1	6019	Other Improvements	62,204.00	62,394.65	(190.65)		
220 3579 2	5410	Professional Svcs-Capital Projects	0.00	300,000.00	(300,000.00)		
220 3579 2	5613	Maint. & Repair	300,000.00	0.00	300,000.00		
220 3579 2	6013	Buildings	300,000.00	300,000.00	0.00		
220 3579 3	6013	Buildings	45,000.00	44,610.25	389.75		
<b>Total Expenditures</b>			<b>930,000.00</b>	<b>929,349.99</b>	<b>650.01</b>		

220	3579	1	7104	Federal Forfeiture	285,000.00	285,000.00	0.00
220	3579	2	7104	Federal Forfeiture	600,000.00	600,000.00	0.00
220	3579	3	7103	State Drug Excise Tax	45,000.00	45,000.00	0.00
<b>Total Revenue</b>					<b>930,000.00</b>	<b>930,000.00</b>	<b>0.00</b>
Net Cost					0.00	(650.01)	650.01

**OJECTIVES OF OUR REVIEW:**

1. Obtain and review approval of City Resolutions and Ordinances.
2. Obtain and review budget and amendments
3. Review and test sample of expenditures paid to vendors in the total amount of \$929,349.99 which began on May 16, 2019 and ran through to September 30, 2022. Verify that the expenditures have appropriate documentation and are within contractual guidelines.
4. Verify that required reports are complete, accurate and submitted to the applicable Guidelines.
5. Prepare a Time Line of the Grant from the beginning to the end.
6. Summarize expended expenses of the Grant.
7. Inspect all capital equipment costing \$5,000.00 or more, if any.

**WHAT WE TESTED:**

We examined selected financial transaction and program documentation for the GPD budgeted accounts for accounts 220-3595-01, 220-3579-02 and 220-3579-03 for compliance with the Grant and assurance that program goals were achieved. We examined \$241,554.14 or 25.99% of the total expenditures in the amount of \$929,349.99. These expenses were maintained by the GPD through Fiscal Year Ending June 30, 2022. Of the total grant amount of \$930,000.00 only \$650.01 was not expended.

There weren't any capital equipment purchases with the Grant funds. However, we did inspect the modernization of the District 2 Office at 2305 Soabar Street.

In regard to Revenue, we verified all transactions posted to account numbers 220-3595-01.7104, 220-3579-02.7104 and 220-3579-03.7123 to the General Ledger in the total amount of \$930,000.00.

The grant has not been closed by Finance as of this report date. Based on our review, it appears that the funds have been spent according to the terms of the Budget Ordinance with no exceptions noted.

We would like to thank Mr. Stephen Morrison, Grant Analyst; Ms. Stephanie Moore, Fiscal Administrator and the Staff of the City of Greensboro's Police Department for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.



Mickey Kerans  
Internal Auditor



Len Lucas  
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Cc: Larry Davis, Assistant City Manager  
Trey Davis, Assistant City Manager  
Stephen Morrison, Grant Analyst of the Greensboro Police Department  
Stephanie Moore, Fiscal Administrator of the Greensboro Police Department  
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