

**Performance Audit 19-07:  
Chattanooga Police Department  
Property and Evidence Section**

**March 2020**

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# OFFICE OF INTERNAL AUDIT

## Stan Sewell, City Auditor

March 30, 2020

To: Mayor Andy Berke  
City Council Members

**RE: Property and Evidence Section Audit (Report #19-07)**

Dear Mayor Berke and City Council Members:

The attached report contains the results of our audit of the Chattanooga Police Department Property and Evidence (P&E) Section. Our audit determined that the operations of the P&E Section comply with requirements governing the maintenance and security of property and evidence. However, we noted key opportunities to strengthen processes and improve storage efficiency.

In order to address noted areas for improvement, we recommended the Department review data in the P&E database tracking system for accuracy, reinforce certain policies and procedures through training, and develop a plan for the systematic disposition of high-risk items no longer needed for evidentiary purposes.

We would like to take this opportunity to thank the Department and staff for their courtesy, cooperation and assistance during this audit.

Sincerely,

Stan Sewell, CPA, CGFM, CFE  
City Auditor

Attachment

cc: Audit Committee Members  
Kerry Hayes, Chief of Staff  
Maura Sullivan, Chief Operation Officer  
David Roddy, Chief of Police  
Jason Irvin, Assistant Chief, Special Operations Bureau  
Tim Tomisek, Lieutenant, Support Services/SORT/CIT  
Christopher Selman, Accreditation and Staff Inspection  
Jim Arnette, Tennessee Local Government Audit

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## AUDIT PURPOSE

This audit was conducted in accordance with the Office of Internal Audit's 2019 Audit Agenda. The objective of this audit was to determine if the Chattanooga Police Department (CPD) maintains adequate control procedures and physical security over property and evidence taken into police custody.

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## BACKGROUND

The CPD Property and Evidence (P&E) Section is responsible for maintaining security and control over property and evidentiary items taken into police custody. P&E operations are governed by laws and regulations designed to ensure the integrity of evidence, secure items from theft, loss or contamination, and facilitate the efficient retrieval of items for disposition. Guidelines for acceptable methods of maintaining property and evidence are established by the Tennessee Code, the Commission on Accreditation for Law Enforcement Agencies, the International Association for Property and Evidence, and CPD Policy Manual § OPS-17.

### Security

The P&E Section maintains a secure warehouse equipped with restricted access doors and a premises security alarm system. Entrance to the facility is restricted to authorized personnel and requires electronic key card access. Storage bays within the facility containing highly sensitive items, such as narcotics and firearms, are equipped with enhanced security measures and locked access gates.

### Vehicle Impound/Confiscation Lot

Metal fencing and a locked gate secure the vehicle impound (confiscation) lot.<sup>1</sup> The fence and gate are connected to an alarm system.<sup>2</sup> Camera surveillance covers the entire lot. P&E personnel are required to conduct a physical inspection of the lot at least once during their assigned shift. No one is permitted in the lot without being escorted by authorized personnel.

### Inventory Management

To track storage and inventory, the P&E Section uses an electronic records management system (RMS) supported by Central Square Technologies (f/k/a Tritech Technologies). The P&E database contains

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<sup>1</sup> P&E personnel maintain the only keys to the lot.

<sup>2</sup> Alarm activations are sent to an alarm company monitoring station for emergency notifications.

descriptive information on all items stored within the facility.<sup>3</sup> Only authorized personnel can access the P&E database and the capability to make changes in the system is limited to staff based on job function.

### Intake Process

Recovered and seized property must be submitted to the P&E Section by case officers immediately, but no later than the end of the officer's shift.<sup>4</sup> Case officers must complete an Evidence Submittal form ("Blue Sheet") when submitting property/evidence.<sup>5</sup> Officers must also record the property/evidence in the Property Inventory Registry. The Property Inventory Registry is a handwritten log used to manually record items submitted to the P&E Section. The registry serves as a back up to the records in the P&E electronic database.

### Storage

Evidentiary items are stored in accordance with standard forensic practices. Sensitive items, *e.g.*, money, jewelry, and narcotics, are packaged with security evidence tape, marked by the submitting officer. Except for firearms and unclaimed property, items submitted to the P&E Section remain stored until released by authorization of the case officer or court order. Firearms are stored indefinitely. Unclaimed property is discarded/destroyed after sixty (60) days.

### Release/Disposition

Once an item is authorized for release, reasonable efforts must be made to notify the owner or responsible party. Impounded vehicles may be disposed at auction, sold as scrap, or diverted for departmental use if awarded by the court in certain criminal cases. Evidence may temporarily be released to authorized personnel for use in court, investigations, laboratory testing, *etc.* P&E personnel record details of the temporary release on the chain of custody form, documenting the date/time, officer, badge number and/or employee identification number, technician handling, purpose, and which items are being checked in or out.<sup>6</sup>

Preserving evidence is critical in the prosecution of criminal cases. Improperly maintaining evidence could have disastrous consequences

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<sup>3</sup> The P&E Section receives over 17,000 items each year and stores over 68,000 items.

<sup>4</sup> Major Crime/CSU cases are exempt from this requirement due to the normally large number of items and detailed processing required.

<sup>5</sup> Other forms may be required depending on the type of property/evidence submitted and processing required.

<sup>6</sup> Chain-of-custody details are also recorded in the P&E database.

to a criminal investigation or trial, and damaging impact on the criminal justice system.

## FINDINGS AND RECOMMENDATIONS

### Internal Controls

Internal controls are policies, procedures and activities designed to safeguard inventory and assist organizations in meeting objectives. The Commission on the Accreditation of Law Enforcement Agencies (CALEA) requires accredited law enforcement agencies to maintain strict controls over the receipt, handling, security and disposition of property/evidence.

As illustrated in Figure 1, we determined that the P&E control procedures outlined in CPD Policy Manual § OPS-17 comply with all CALEA accreditation standards and requirements. In particular, the P&E Section has a comprehensive series of directives and procedures detailing how property is received, tracked, and securely stored.

Figure 1.

Recommended written procedures for:	Compliance
<i>Property logged/ placed under control of PED</i>	Yes
<i>Description of each item</i>	Yes
<i>Guidelines for packaging/ labeling</i>	Yes
<i>Special measures for safeguarding high-risk items</i>	Yes
<i>Procedures for releasing/ disposing of property</i>	Yes
<b>Inspections/Audits:</b>	
<i>Quarterly and semi-annual inspections</i>	Yes
<i>Annual audit by someone not connected to PED</i>	Yes
<i>Random//unannounced inspections</i>	Yes
<i>Change in supervisory personnel</i>	Yes
<b>Access limited to authorized personnel</b>	Yes
<b>Records/database should be accurate</b>	Yes
<b>Specialized training</b>	Yes

Source: Commission on the Accreditation of Law Enforcement Agencies

Additionally, the CPD is in the process of implementing substantive changes (endorsed by CALEA) to improve P&E efficiencies and security controls, including but not limited to:

- Restructuring staffing levels and segregation of duties;
- Limiting hours of operation (currently 24/7);

- Installing new secure access technologies in the P&E facility;
- Installing locking storage lockers for officers to securely submit items after business hours (with video monitoring); and
- Modernizing P&E intake/submission forms.

**Database Accuracy**

CALEA standards and CPD policy require that internal records accurately reflect the status of all custodial property/evidence. We examined a statistical sample of records and supporting documents for property and evidence items in the P&E inventory, and traced each item to its designated storage bin/location. We found very few items out of place and no items were missing. We discovered minor data inaccuracies (mostly clerical errors) in the P&E database. However, all back up records were accurate and complete. The results from the audit tests performed are summarized in Figure 2.

**Figure 2.**

<b>Intake</b>	<b>Error Rate</b>	<b>Comments</b>
<i>Item submitted by officer prior to the end of shift</i>	9.6%	Major Crimes/CSU cases are exempt from this requirement and not included in the error rate calculation.
<i>Item recorded in Property Inventory Registry</i>	0.0%	No issues found.
<i>Evidence Submittal form completed by officer</i>	0.0%	No issues found.
<i>Other forms/documents completed (if applicable)</i>	0.0%	No issues found.
<i>Item accurately recorded in RMS database</i>	13.5%	Audit testing revealed minor errors in P&E database. Back up data was accurate and complete.
<b>Storage</b>	<b>Error Rate</b>	<b>Comments</b>
<i>Item stored in correct location/bin (location matched P&amp;E database)</i>	0.0%	No issues found.
<i>Item stored in appropriate container according to standard forensic practices</i>	0.0%	No issues found.
<i>Currency:</i>		
<i>A. Receipt or seizure form completed</i>		
<i>B. Counted and verified</i>	0.0%	No issues found.
<i>C. Deposited with City Treasury within 3 days (if non-evidentiary)</i>		
<i>Jewelry:</i>		
<i>A. Sealed and labeled</i>	0.0%	No issues found.
<i>B. Stored in safe</i>		

<i>Firearms:</i>		
A. Unloaded and safe	0.0%	No issues found.
B. Ammo/magazine removed		
<i>Narcotics:</i>		
A. Weighed in container		
B. Weight recorded		
C. Scales calibrated	0.0%	No issues found.
D. Stored according to forensic practices		
E. TBI Lab submission (if applicable)		
<i>Biohazard materials:</i>		
A. Sealed and labeled as BIOHAZARD for safety	0.0%	No issues found.
<b>Release/Disposition</b>	<b>Error Rate</b>	<b>Comments</b>
Release of item authorized by case officer/court order	0.0%	No issues found.
Details of chain of custody properly documented	0.0%	No issues found.
<i>Narcotics:</i>		
A. Broken seal documented/reweighed	0.0%	No issues found.
B. Discrepancies reported to Internal Affairs		
C. Disposed properly		
<i>Vehicles:</i>		
A. Returned to owner, sold at auction, scrapped, or repurposed for departmental use	0.0%	No issues found.
B. Identified on list of vehicles subject to auction (if applicable)		
<i>Found/stolen property:</i>		
A. Owner properly notified	0.0%	No issues found.
B. Unclaimed property disposed of timely		

**Recommendation 1:** The CPD Accreditation and Staff Inspection team performs regular P&E inspections for CALEA compliance. We recommend the Inspection team expand the scope of future examinations to include reviewing records in the P&E database for accuracy.

**Auditee Response:** *We concur with the audit finding and recommendation.*

**Timely Submission**

Our testing disclosed instances where case officers did not always comply with CPD policy by submitting recovered items to the P&E



Section before the end of his/her shift. CALEA standards require in-custody and evidentiary property be placed under the control of the P&E Section before the officer ends his/her tour of duty (shift), or “*under exceptional circumstances as defined by policy*”.

**Recommendation 2:** We recommend CPD management reinforce through training departmental expectations and requirements for timely submission of evidence/property. In addition, although CPD policy exempts Major Crime/CSU cases from this particular requirement, we recommend management consider revising CPD Policy Manual OPS-17 to exempt Major Crime/CSU cases only if exceptional circumstances exist as defined by policy. Alternatively, we recommend adding language to the manual clarifying that officers should submit items recovered in Major Crime/CSU cases as soon as reasonably practical.

***Auditee Response:*** *We concur with the audit finding and recommendation.*

### **Contraband Weapons**

The International Association for Property and Evidence recognizes firearms as a frequent target of theft in property and evidence rooms, and recommends prompt disposal of firearms after all legal requirement have been satisfied. Tennessee law requires contraband weapons to be publicly auctioned, destroyed, or used for law enforcement purposes. Additionally, CALEA standards require “*final disposition of found, recovered and evidentiary property shall be accomplished within six (6) months after all legal requirements have been met.*”<sup>7</sup>

Regarding the disposition of firearms, CPD Policy Manual § OPS-17 states that firearms cleared for disposal shall be disposed of according to applicable state law; but the manual provides little, if any, guidance as to how/when disposal of contraband weapons shall occur.

**Recommendation 3:** We recommend CPD management develop a strategic plan to systematically dispose of contraband firearms no longer needed for evidentiary purposes, with clearly defined roles and responsibilities, oversight, and a retention/disposal schedule.

***Auditee Response:*** *We concur with the audit finding and recommendation.*

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<sup>7</sup> The CALEA commentary further states: “*prompt, authorized property removal (final disposition/destruction) is necessary to prevent overload of the property management system and reduce the requirement for additional storage space*”.

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## **APPENDIX A: SCOPE, METHODOLOGY AND STANDARDS**

Based on the work performed during the preliminary survey and the assessment of risk, the audit covers the operations of the P&E Section from July 1, 2018 to December 31, 2019. When appropriate, the scope was expanded to meet the audit objectives. Source documentation was obtained from archived records and the P&E database. Original records as well as copies were used as evidence and verified through physical examination.

To develop our recommendations, we reviewed CPD policies, procedures, and controls governing P&E operations, researched applicable law and national accreditation standards for law enforcement agencies, examined items and records maintained by the P&E Section, interviewed staff, assessed key risk factors, and evaluated best practices for maintaining P&E records.

The sample size and selection of the P&E inventory items and records we examined were statistically generated using a desired confidence level of 90 percent, expected error rate of 5 percent, and a desired precision of 5 percent. Statistical sampling was used in order to infer the conclusions of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, we used judgmental sampling to improve the overall efficiency of the audit.

We conducted this performance audit from September 2019 to March 2020 in accordance with generally accepted government auditing standards.<sup>8</sup> Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>8</sup> Although the audit was initiated in September 2019, we suspended work on the audit until January 2020 to accommodate the CPD's accreditation process.

### **City of Chattanooga Fraud, Waste, and Abuse Hotline**

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