

**State of Delaware
Office of Auditor of Accounts**

**Special Law Enforcement
Assistance Fund
Agreed-Upon Procedures Engagement**

**Fiscal Years Ended
June 30, 2015, 2016, and 2017**

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R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts

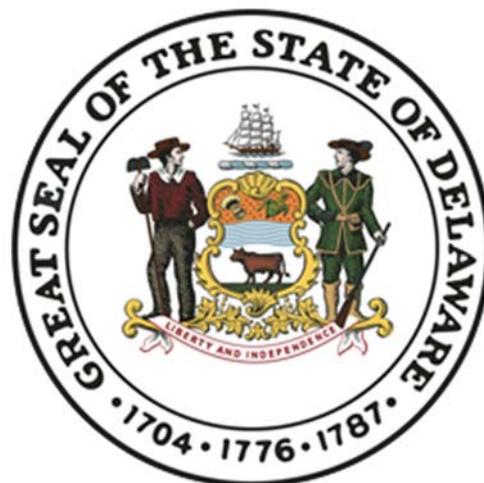


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Abbreviations

AG	Attorney General
AOA	Auditor of Accounts
Committee	Special Law Enforcement Assistance Fund Committee
DOJ	Department of Justice
FOIA	Freedom of Information Act
FY	Fiscal Year
OMB	Office of Management and Budget
PD	Police Department
SLEAF	Special Law Enforcement Assistance Fund
State	State of Delaware



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CFE, CGFM, CICA
AUDITOR OF ACCOUNTS

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Sean Lugg
State Prosecutor
SLEAF Committee Chair
Delaware Department of Justice
102 West Water Street
Dover, Delaware 19904

Patricia A. Davis
Deputy Attorney General
Department of Justice
102 West Water Street
Dover, Delaware 19904

We have performed the procedures enumerated below, which were agreed to by the Delaware Department of Justice (DOJ) and Special Law Enforcement Assistance Fund (SLEAF) Committee (the specified parties), on the compliance with SLEAF, Title 11, Chapter 41 of the Delaware Code (11 Del.C. Ch. 41) and the SLEAF application during Fiscal Years ended June 30, 2015 (FY15), June 30, 2016 (FY16), and June 30, 2017 (FY17). DOJ's management is responsible for its compliance and ensuring recipients' compliance with those specified criteria. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Procedure 1: Obtain an itemized list of SLEAF grants awarded to all municipalities for the fiscal years under review from DOJ. Then, reconcile the itemized lists of SLEAF grants awarded to the disbursed funds per the First State Financials' (FSF) DGL011 reports for the fiscal years under review.

Results: The SLEAF grants provided by DOJ reconciled to FSF DGL011 without exception.

Procedure 2: For all SLEAF grants awarded, select a sample of 25% of the grants awarded during each fiscal year under review. Obtain the grant applications from DOJ and confirm the intended use of the requested funds is allowable per 11 Del.C. Ch. 41 and the SLEAF grant application.

Results: AOA selected a sample of 25% of the grants awarded for FY15, FY16 and FY17 as follows:

Fiscal Year Ended June 30,	Number of Grants Awarded	Total of Grants Awarded	Sample Selected (25%)	Total of Sample Selected
2015	37	\$ 499,972	9	\$181,559
2016	118	\$1,506,401	30	\$464,402
2017	90	\$1,254,054	23	\$245,570

Appendices B, C, and D detail the total grants awarded and selected by agency for FY15, 16, and 17.

During the inspection of grant applications, we found that the SLEAF Committee (Committee) recommended approval and the Attorney General (AG), Director of the Office of Management and Budget (OMB), and the Controller General authorized one grant in which the purpose was to “augment the budget.” The SLEAF application specifically states SLEAF funds are not to be utilized for normal operational expenses, which are defined as those items which are ordinarily reflected in a department’s operating budget. The total amounts unallowable in the agency grant application for FY15, FY16, and FY17 are \$16,000, \$20,000, and 17,000, respectively.

Procedure 3: For the grants selected for testing:

- a. Confirm that the AOA and DOJ received a detailed and complete accounting of the expended SLEAF grants. [11 Del. C. §4115]

Results: DOJ received 52 and AOA received 1 of the 62 sampled grant accountings as follows:

Fiscal Year Ended June 30,	Sample Size Selected	Number of Accountings Received by AOA	Number of Accountings Received by DOJ
2015	9	0	9
2016	30	1	29*
2017	23	0	14**
Total	62	1	52

*Grant accounting received by DOJ
 Untimely extension request received June 21, 2017 1
 Total sample 30

**Grant accounting received by DOJ
 Approved extensions, no grant accounting required 6
 Grant approved in June 2017, not expended by June 30 3 DOJ did not require accounting, no funds were expended prior to June 30.
 Total sample 23

- b. Inspect the supporting documentation to confirm the funds were expended for the purpose stated in the grant application and appropriately included on the SLEAF Accounting Voucher. [11 Del. C. §4110 and *Instruction for SLEAF Application*, Items #3 and #7]

Results: The findings for each fiscal year under review are documented below in Tables 3, 4, and 5.

Table 3: FY15 Unallowable Expenditures			
Grant	Description of Request	Description	Receipt Total
14-049	Training	Food – <i>no supporting documentation</i>	\$ 581
		Travel/Lodging – <i>no supporting documentation</i>	4,510
		Membership Dues – <i>not identified as a purpose of the grant</i>	105
14-064	Augment the budget of the agency and cover the cost of an annual training	Wages – <i>Generally, SLEAF funds are not to be used for the payment of wages</i>	20,706
14-084a	Equipment for explosive disposal unit, specialty clothing and protection, HazMat equipment, and repair and calibration of robots	Membership Dues – <i>not identified as a purpose of the grant</i>	500
Total			\$ 26,402

Table 4: FY16 Unallowable Expenditures			
Grant	Description of Request	Receipt Description	Receipt Total
14-084b	Equipment for Explosive Disposal Unit	Membership Dues – <i>not identified as a purpose of the grant</i>	\$ 300
15-001	Training	Food – <i>no supporting documentation</i>	403
		Travel/Lodging – <i>no supporting documentation</i>	6,970
15-013	25 wearable body cameras	Phone charges for body cams – <i>normal operating expenditure</i>	1,960
15-044	Training	Food – <i>no supporting documentation</i>	65
15-057	Augment the budget of the agency and cover the cost of an annual training.	Wages – <i>Generally, SLEAF funds are not to be used for the payment of wages</i>	25,060
15-071	Electronic surveillance training	Membership Dues – <i>not identified as a purpose of the grant</i>	50
15-074	Purchase three striking dummies	Dick’s Sporting Goods Gift Cards – <i>not identified as a purpose of the grant</i>	770
15-084	Operating expenses for First State Force band for youth and community outreach initiative	Director fees – <i>no supporting documentation</i>	3,350
Total			\$ 38,928

Table 5: FY17 Unallowable Expenditures			
Grant	Description of Request	Receipt Description	Receipt Total
16-008	Cost of 4 cell phones for sex offender agents	Cell phone monthly charges – <i>normal operating expenditure</i>	\$ 2,376
16-027a	Augment the budget of the agency and cover the cost of an annual training	Wages – <i>Generally, SLEAF funds are not to be used for the payment of wages</i>	17,000
Total			\$ 19,376

Procedure 4: If the SLEAF grant was not expended by the end of the fiscal year of receipt, obtain written authorization of an extension of up to 120 days from DOJ. [11 Del. C. §4114(a) and *Instruction for SLEAF Application*, Item #9]

Results: All FY15 grants sampled, except one, were reported as expended¹ by June 30, 2015 by the agency receiving the funds. Three agencies, as detailed in **Procedure 5**, did not expend the entire grant award, did not file an extension, and did not return the unused monies.

Eight of the 30 grants sampled in FY16 did not expend¹ the total grant award before June 30, 2016. Six of the eight grants appropriately filed extension requests by the end of the fiscal year, which were approved by DOJ. However, three of these six grants received extensions greater than 120 days. One of the remaining two grants did not file an extension request until June 21, 2017.

Nine of the 23 grants sampled in FY17 did not expend¹ the total grant award before June 30, 2017. Six of the nine grants appropriately filed extension requests by the end of the fiscal year, which were approved by DOJ. The remaining three grants received the grant awards in June 2017 and did not file timely extension requests.

Procedure 5: For SLEAF grants that were not fully expended by the end of the fiscal year nor received an extension, inspect DOJ’s cash receipts to confirm the repayment of unused funds. [11 Del. C. §4114(a) and *Instruction for SLEAF Application*, Item #9]

Results: Three grants of 9 sampled in FY15 had unused funds at the end of the fiscal year. One of those three grants appropriately returned the unused monies to the State Treasurer. Table 6 outlines the grants that had unused funds at the end of FY15 but did not request an extension nor returned the unused funds to SLEAF. In addition, one recipient returned funds that were not required to be returned.

¹ For the purpose of this procedure, expend means the purchases, as requested in the grant application, were made no later than the end of the Fiscal Year (June 30). If the total cost of the purchases were for a lesser amount than the approved grant, any remaining grant funds should be returned to SLEAF. See **Procedure 5**.

Table 6: FY15 Unused Funds			
Grant	Amount of Unused Funds per Receipt Totals	Amount of Funds Returned per Cash Receipts	(Over)/Under Returned
14-049	\$ 5,990	\$ -	\$ 5,990
14-065a	943	-	943
14-059	89,682	-	89,682*

*These funds were subsequently spent for the purposes of the grant in July and September 2016.

Thirteen of 30 grants sampled in FY16 had unused funds at the end of the fiscal year. Eleven of those 13 grants appropriately returned the unused monies to the State Treasurer or received an extension. Table 7 outlines the grant that had unused funds at the end of FY16 but did not request an extension nor returned the unused funds to SLEAF. In addition, one recipient returned funds that were not required to be returned and one recipient requested an extension on June 21, 2017 (see *Procedure 4*).

Table 7: FY16 Unused Funds			
Grant	Amount of Unused Funds per Receipt Totals	Amount of Funds Returned per Cash Receipts	(Over)/Under Returned
14-084b	\$ 1,809	\$ -	\$ 1,809

Twelve of the 23 grants sampled in FY17 had unused funds at the end of the fiscal year. Nine of those 12 grants appropriately returned the unused monies to the State Treasurer or received an extension. The remaining three grants did not receive approval until June 2016 (see *Procedure 4*).

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified criteria. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report on applying the agreed-upon procedures is solely to assist the Special Law Enforcement Fund Committee and the Department of Justice in verifying that the selected grants were in compliance with grant requirements and that grant expenditures were adequately supported and expended in accordance with grant terms and applicable laws and regulations. Accordingly, this report is not suitable for any other purpose. However, the report is a matter of public record and its distribution is not limited. The report, as required by statute, will be provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, and Office of Management and Budget.

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts
Dover, Delaware
April 18, 2018

Appendix A: Background

SLEAF is a grant fund established by the General Assembly to provide funds to enhance the suppression; investigation, and prosecution of criminal activity; promote officer safety; facilitate the training of law-enforcement personnel; further public safety; public education, and community awareness; and improve victim services.² SLEAF is funded by money and/or the proceeds obtained from the sale or disposition of any property which is forfeited to the State by determination of the court that the property was 1) used for criminal purposes or 2) obtained as the fruits of a criminal enterprise.³

Grant Application and Authorization Process

Grantees must make a written application reviewed by the Committee and authorized by the AG, Director of the OMB, and the Controller General. The application must include:⁴

- Amount of funds requested;
- Anticipated purpose for which such funds are requested;
- Amount of any and all funds received by the requesting agency from SLEAF during the previous 5 fiscal years; and
- The name of agency requesting funds and the name of the individual in that agency who will be responsible for keeping accurate records as to the use of the funds.

Under Delaware Code, the Committee is required to meet quarterly and is comprised of 8 members:

1. The State Prosecutor, Committee Chair
2. The Chief Law-Enforcement Officer of the Delaware State Police
3. The Chief Law-Enforcement Officer of the New Castle County Police Department
4. The Chief Law-Enforcement Officer of the Wilmington City Police Department
5. The Chief Law-Enforcement Officer of the Dover City Police Department
6. An at-large representative of law enforcement agencies in New Castle County
7. An at-large representative of law enforcement agencies in Kent County
8. An at-large representative of law enforcement agencies in Sussex County

The SLEAF grant application provides additional guidelines for the use of funding. Generally, SLEAF funds are not to be used for the payment of wages, overtime, or normal operational expenses associated with the operations of law enforcement. Normal operational expenses are those items that are ordinarily reflected in the agency's operating budget, including, but not limited to, uniforms, police vehicles, building maintenance, and repair and capital improvements to police facilities, except for those that directly enhance officer safety, prisoner safety and evidence integrity. Excluding technology upgrades, equipment necessary to replace existing equipment or expand force size are deemed to be normal operating expenses and are unallowable. In addition, SLEAF funds are not to be used to fund "buy" money for drug operations.

Expenditure and Reporting Requirements

Agencies receiving SLEAF are required to maintain accounting records for each grant received which include the *Attorney General's Confidential Funds Accounting Voucher* and all detailed receipts. The Voucher includes the name of the recipient agency, receipt/check number, date, approved grant amount,

² 11 Del.C. §4110

³ 11 Del.C. §4112

⁴ 11 Del.C. §4113(b)

total funds expended, total funds returned, summary of funds spent, and signature of the agency's specified grant administrator certifying the information.

The agency must expend the SLEAF grant in full no later than the end of the fiscal year (June 30). If the agency does not expend the funds by year-end, the agency can submit a written extension to the AG, for up to 120 days; otherwise, the agency has to return the unused funds.

Each agency is required to submit a detailed and complete accounting of the disbursement for all funds from the prior fiscal year to the AG and the AOA on or before July 15th of each year. The AG and AOA are required to review and maintain the accounting.

Appendix B: Fiscal Year 2015 Grant Awardees and Sample Selection

Agency	# of Grants Awarded	Total Amount Awarded	# of Grants Selected	Total Amount Selected
Bridgeville PD	1	\$ 3,850	-	\$ -
Capitol Police	1	6,000	-	-
DE Police Chiefs' Council	1	27,000	1	27,000
Delaware State Police	7	262,234	2	102,234
Department of Justice	2	30,000	1	20,000
Dover PD	1	9,000	1	9,000
Ellendale PD	1	3,000	-	-
Elsmere PD	1	10,740	-	-
Greenwood PD	1	2,626	-	-
Harrington PD	1	19,640	-	-
Middletown PD	2	4,400	-	-
New Castle City PD	1	8,000	-	-
New Castle County PD	10	34,633	4	23,325
Rehoboth PD	1	5,270	-	-
Smyrna PD	1	5,979	-	-
Wilmington PD	5	67,600	-	-
Total	37	\$ 499,972	9	\$ 181,559

Appendix C: Fiscal Year 2016 Grant Awardees and Sample Selection

Agency	# of Grants Awarded	Total Amount Awarded	# of Grants Selected	Total Amount Selected
Bethany Beach PD	1	\$ 12,616	-	\$ -
Blades PD	4	10,175	3	9,585
Bridgeville PD	2	12,404	-	-
Capitol Police	4	79,000	-	-
City of New Castle PD	1	7,747	-	-
Clayton PD	1	10,590	-	-
Division of Alcohol and Tobacco Enforcement	3	12,273	1	4,723
DE Police Chiefs' Council	1	45,000	1	45,000
Delaware City PD	1	6,735	-	-
Delaware State Police	11	449,668	4	117,292
Department of Justice	8	147,769	2	40,000
Dover PD	3	30,400	1	15,400
Ellendale PD	1	3,987	-	-
Elsmere PD	4	21,610	-	-
Felton PD	3	24,116	-	-
Fenwick Island PD	1	8,835	-	-
Greenwood PD	3	5,972	1	2,626
Harrington PD	4	42,370	2	15,186
Kenton PD	1	1,913	-	-
Laurel PD	1	5,424	-	-
Middletown PD	4	28,488	-	-
Milford PD	1	17,791	-	-
New Castle County PD	34	260,123	10	102,860
Newark PD	1	24,650	-	-
Ocean View PD	3	25,915	1	12,264
Rehoboth PD	2	6,592	-	-
Seaford PD	2	18,760	1	16,585
Smyrna PD	1	8,272	-	-
South Bethany PD	2	5,171	1	1,581
UD Campus PD	2	14,285	-	-
Wilmington PD	8	157,750	2	81,300
Total	118	\$ 1,506,401	30	\$ 464,402

Appendix D: Fiscal Year 2017 Grant Awardees and Sample Selection

Agency	# of Grants Awarded	Total Amount Awarded	# of Grants Selected	Total Amount Selected
Blades PD	2	\$ 22,572	-	\$ -
Bridgeville PD	2	15,364	1	4,000
Capitol PD	1	15,000	-	-
Cheswold PD	1	7,258	1	7,258
DATE	1	16,026	-	-
DE Police Chiefs' Council	2	37,000	1	17,000
Delaware State Police	10	464,372	2	15,376
Department of Justice	3	25,108	1	10,000
Dover PD	1	15,700	-	-
Ellendale PD	2	2,683	2	2,683
Elsmere PD	3	11,333	-	-
Felton PD	1	4,910	-	-
Georgetown PD	2	20,000	1	10,000
Greenwood PD	1	1,356	-	-
Harrington PD	2	16,152	-	-
Laurel PD	3	29,874	1	10,848
Lewes PD	1	5,203	-	-
Middletown PD	2	18,448	-	-
Milford PD	1	6,676	-	-
Millsboro PD	2	6,229	2	6,229
Milton PD	2	9,512	1	5,445
New Castle City PD	1	10,035	-	-
New Castle County PD	23	192,785	3	17,500
Newark PD	3	66,112	-	-
Newport PD	4	32,513	1	12,931
Ocean View PD	2	12,533	-	-
Seaford PD	3	22,128	1	10,000
UD Campus PD	1	9,000	-	-
Wilmington PD	8	158,172	5	116,300
Total	90	\$ 1,254,054	23	\$ 245,570