

Financial Audit

Department of Public Safety
Criminal Gang Strike Force Grants
July 1, 1998, through June 30, 2001



Financial Audit Division

The Office of the Legislative Auditor (OLA) is a professional, nonpartisan office in the legislative branch of Minnesota State government. Its principal responsibility is to audit and evaluate the agencies and programs of state government (the State Auditor audits local governments).

OLA's Financial Audit Division annually audits the state's financial statements and, on a rotating schedule, audits agencies in the executive and judicial branches of state government, three metropolitan agencies, and several "semi-state" organizations. The division also investigates allegations that state resources have been used inappropriately.

The division has a staff of approximately fifty auditors, most of whom are CPAs. The division conducts audits in accordance with standards established by the American Institute of Certified Public Accountants and the Comptroller General of the United States.

Consistent with OLA's mission, the Financial Audit Division works to:

- Promote Accountability,
- Strengthen Legislative Oversight, and
- Support Good Financial Management.

Through its Program Evaluation Division, OLA conducts several evaluations each year and one best practices review.

OLA is under the direction of the Legislative Auditor, who is appointed for a six-year term by the Legislative Audit Commission (LAC). The LAC is a bipartisan commission of Representatives and Senators. It annually selects topics for the Program Evaluation Division, but is generally not involved in scheduling financial audits.

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OFFICE OF THE LEGISLATIVE AUDITOR
State of Minnesota • James Nobles, Legislative Auditor

Senator Ann H. Rest, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Charlie Weaver, Commissioner
Department of Public Safety

We have audited the Department of Public Safety's administration of grants for the Criminal Gang Strike Force for the period July 1, 1998, through June 30, 2001. We highlight the audit objectives and conclusions in the individual chapters of this report.

We conducted our audit in accordance with *Government Auditing Standards*, as issued by the Comptroller General of the United States. Those standards require that we obtain an understanding of management controls relevant to the audit. The standards require that we design the audit to provide reasonable assurance that the Department of Public Safety complied with provisions of laws, regulations, and grants that are significant to the audit. The management of the Department of Public Safety is responsible for establishing and maintaining the internal control structure and complying with applicable laws, regulations, and grants.

This report is intended for the information of the Legislative Audit Commission and the management of the Department of Public Safety. This restriction is not intended to limit the distribution of this report, which was released as a public document on May 16, 2002.

/s/ James R. Nobles

James R. Nobles
Legislative Auditor

/s/ Claudia J. Gudvangen

Claudia J. Gudvangen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 15, 2002

Report Signed On: May 13, 2002

**Department of Public Safety
Criminal Gang Strike Force Grants**

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Audit Participation

The following members of the Office of the Legislative Auditor prepared this report:

Claudia Gudvangen, CPA	Deputy Legislative Auditor
Cecile Ferkul, CPA, CISA	Audit Manager
Susan Mady	Auditor-in-Charge

Exit Conference

We discussed the results of the audit with the following staff of the Department of Public Safety at an exit conference on May 9, 2002:

Charlie Weaver	Commissioner
Sara Schlauderaff	Assistant Commissioner
Frank Ahrens	Director, Fiscal & Administrative Services
Mary Ellison	Director, Drug Policy & Violence Prevention
Jeri Boisvert	Planning Director, Drug Policy & Violence Prevention
Daniel Boytim	Accounting Supervisor
Steve Johnson	Divisional Accounting Officer

Department of Public Safety Criminal Gang Strike Force Grants

Report Summary

Overall Conclusion:

The Department of Public Safety and the Minnesota Criminal Gang Oversight Council properly authorized and accurately recorded grants in compliance with material finance-related legal provisions, and ensured that grantee reimbursement requests complied with grant provisions.

Agency Background:

In 1997, the Legislature created the Minnesota Criminal Gang Oversight Council and the Criminal Gang Strike Force to deal with the increasing violence inflicted on the citizens of Minnesota by gang crimes. The Minnesota Criminal Gang Oversight Council is an advisory council, which oversees the Criminal Gang Strike Force. The Criminal Gang Strike Force is a multi-governmental, anti-gang initiative with statewide jurisdiction to conduct criminal investigations. The mission of the Criminal Gang Strike Force is to identify, investigate, arrest, and prosecute gang members engaged in criminal activity in Minnesota. Funding for the Minnesota Criminal Gang Oversight Council and the Criminal Gang Strike Force was provided by a General Fund appropriation to the Department of Public Safety.

Financial Audit Reports address internal control weaknesses and noncompliance issues found during our audits of state departments and agencies. The scope of our audit work at the Department of Public Safety for the Criminal Gang Strike Force covered appropriations for the period from July 1, 1998, through June 30, 2001.

Department of Public Safety

Criminal Gang Strike Force Grants

Chapter 1. Introduction

In 1997, the Legislature created the Minnesota Criminal Gang Oversight Council and the Criminal Gang Strike Force to deal with the increasing violence inflicted on the citizens of Minnesota by gang crimes. The Minnesota Criminal Gang Oversight Council is an advisory council, which oversees the Criminal Gang Strike Force. Funding for the Minnesota Criminal Gang Oversight Council and the Criminal Gang Strike Force was provided by a General Fund appropriation to the Department of Public Safety.

The statutes identify the following individuals, or their designees, as members of the Minnesota Criminal Gang Oversight Council:

- Commissioner of Public Safety
- Commissioner of Corrections
- Superintendent of the Minnesota Bureau of Criminal Apprehension
- Minnesota Attorney General
- Minneapolis Police Chief
- St. Paul Police Chief
- St. Cloud Police Chief
- Duluth Police Chief
- Hennepin County Sheriff
- Ramsey County Sheriff
- St. Louis County Sheriff
- Olmsted County Sheriff
- Representative of the Minnesota Sheriff's Association (Metro)
- Representative of the Minnesota Sheriff's Association (Outstate)
- Representative of the Minnesota Chiefs of Police Association

The Criminal Gang Strike Force is a multi-governmental, anti-gang initiative with statewide jurisdiction to conduct criminal investigations. The Department of Public Safety enters into joint powers agreements with the local law enforcement agencies. The mission of the Criminal Gang Strike Force is to identify, investigate, arrest, and prosecute gang members engaged in criminal activity in Minnesota. Its primary goals are to:

- target for prosecution of individuals most criminally active within a gang or who hold leadership positions;
- coordinate proactive, long-term investigations on targeted gang members;
- react promptly to requests for assistance from other law enforcement agencies;
- provide peace officers and prosecutors with training on tactics and techniques for investigating and prosecuting gang crime; and

Department of Public Safety Criminal Gang Strike Force Grants

- obtain information regarding gang membership and related criminal activity and share that information with other law enforcement agencies.

The Criminal Gang Strike Force consists of about 50 investigators working throughout the state who concentrate on fighting gang-related crime. Local law enforcement agencies assign officers to serve on the Criminal Gang Strike Force and to report directly to its Statewide Commander. The officers are employed and paid by their home police or sheriff departments, who then receive reimbursement grants from the Department of Public Safety. The Department of Public Safety also awarded grants to local law enforcement agencies and city or county attorneys' offices to expand their capacity to successfully investigate and prosecute crimes committed by criminal gangs. Some federal agencies have also assigned staff to work with the Criminal Gang Strike Force.

The Criminal Gang Strike Force is organized into five regions, each headed by a Regional Commander, who reports to the Statewide Commander, Ron Ryan. The Metro region is the largest and employs about 35 people. Following are the regions and the participating local and federal law enforcement agencies:

1. **Northeast** - Duluth Police Department, St. Louis County Sheriff, and the Bureau of Criminal Apprehension
2. **Southeast** - Rochester Police Department, Olmsted and Goodhue County Sheriff Departments, and the Bureau of Criminal Apprehension
3. **Central** - St. Cloud Police Department and Benton, Sherburne, and Stearns County Sheriff Departments
4. **Southwest** - Marshall, Worthington, and Mankato Police Departments
5. **Metro** - Minneapolis and St. Paul Police Departments; Ramsey, Anoka, Dakota, Washington, and Hennepin County Sheriff Departments; the Bureau of Criminal Apprehension; Federal Bureau of Alcohol, Tobacco and Firearms; Federal Drug Enforcement Agency; Federal Bureau of Investigations; and the Internal Revenue Service

The Minnesota Criminal Gang Oversight Council submits an annual report to the Legislature about the successes, accomplishments, and future goals of the Criminal Gang Strike Force.

Table 1-1 summarizes the sources and uses of funds for the Minnesota Criminal Gang Oversight Council and the Criminal Gang Strike Force for fiscal years 1999 through 2001.

**Department of Public Safety
Criminal Gang Strike Force Grants**

**Table 1-1
Criminal Gang Strike Force
Sources and Uses of Funds
Fiscal Years 1999, 2000, 2001**

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Sources:			
Appropriations - Grants	\$2,820,000	\$1,171,000	\$2,412,000
Appropriations - Administration	0	357,000	335,000
Balance Forward In	<u>339,275</u>	<u>0</u>	<u>132,591</u>
Total Sources	<u>\$3,159,275</u>	<u>\$1,528,000</u>	<u>\$2,879,591</u>
Uses:			
Grants	\$2,468,147	\$1,075,455	\$2,290,364
Payroll	159,101	172,081	163,857
Rent	92,767	95,545	137,161
Equipment	31,049	1,455	19,679
Insurance	87,840	43,884	73,538
Supplies	9,996	1,163	8,439
Travel	9,567	3,977	40
Other	<u>1,782</u>	<u>1,849</u>	<u>5,370</u>
Total Expenditures	\$2,860,249	\$1,395,409	\$2,698,447
Balance Forward Out	0	132,591	0
Cancellations	<u>299,026</u>	<u>0</u>	<u>181,143</u>
Total Uses	<u>\$3,159,275</u>	<u>\$1,528,000</u>	<u>\$2,879,591</u>

Source: Minnesota Accounting and Procurement System.

**Department of Public Safety
Criminal Gang Strike Force Grants**

Chapter 2. Grants

Chapter Conclusions

The Department of Public Safety and the Minnesota Criminal Gang Oversight Council properly authorized and accurately recorded grants in compliance with material finance-related legal provisions, and ensured that grantee reimbursement requests complied with grant provisions.

The Department of Public Safety processed grant expenditures through the state's accounting system to local law enforcement agencies. The Minnesota Criminal Gang Oversight Council authorized the grant awards. They reviewed applications to ensure that the local unit planned to use the funds appropriately, and that the grant would aid in the apprehension of criminal gang members or in the deterrence of gang violence. For fiscal years 1999 through 2001, grant payments to cities and counties totaled about \$6.2 million.

One program available to law enforcement agencies was the *Officer Replacement* grant. This grant reimbursed local law enforcement agencies for the cost associated with hiring an officer to replace an officer assigned to the Criminal Gang Strike Force. During fiscal years 1998 and 1999, a participating agency was reimbursed 75 percent of the salary and benefits of an officer assigned to the Criminal Gang Strike Force. When the legislature reduced the appropriations for fiscal years 2000 and 2001, the Minnesota Criminal Gang Oversight Council set the maximum reimbursement at \$50,000 per officer.

A second grant program was the *Expand Local Capacity to Combat Gangs* grant. This grant provided funding to local law enforcement agencies and city or county attorneys' offices to expand their capacity to successfully investigate and prosecute crimes committed by criminal gangs. This grant aided the local agency or attorney's office in making full use of experienced gang specialists and promoted ongoing multi-jurisdictional efforts. The requesting agency or office submitted a detailed plan to the Minnesota Criminal Gang Oversight Council and the commissioner of Public Safety describing the proposed uses for the funds. The council evaluated the grant application to determine if the plan ensured a positive result. The council either approved or denied the applicant's request. The Department of Public Safety paid out grant funds in accordance with the Minnesota Criminal Gang Oversight Council's authorization.

Department of Public Safety Criminal Gang Strike Force Grants

Audit Objectives and Methodology

We focused on the following objectives during our audit of the Department of Public Safety's administration of grants for the Criminal Gang Strike Force:

- Did the Department of Public Safety and the Minnesota Criminal Gang Oversight Council properly authorize and accurately record grants in compliance with material finance-related legal provisions?
- Did the Department of Public Safety monitor that the grantee's reimbursement requests complied with grant provisions?

To meet these objectives, we interviewed personnel from the Department of Public Safety to gain an understanding of the grant process and the reimbursement procedures for local law enforcement agencies involved in the Criminal Gang Strike Force. We examined the authorization and approval of the joint powers and grant agreements between the Department of Public Safety and the local law enforcement agencies. We analyzed expense reimbursement requests for compliance with grant provisions. We tested a sample of grant expenditures to determine if they were reasonable, properly supported, and accurately recorded in the states accounting system.

Conclusion

The Department of Public Safety and the Minnesota Criminal Gang Oversight Council properly authorized and accurately recorded grants in compliance with material finance-related legal provisions, and ensured that grantee reimbursement requests complied with grant provisions.

**Department of Public Safety
Criminal Gang Strike Force Grants**

**Status of Prior Audit Issues
As of April 15, 2002**

Most Recent Audit

Legislative Audit Report 99-44, issued in August 1999, focused on selected operations of the Department of Public Safety, including the Criminal Gang Strike Force. The report contained two recommendations to improve the operations of the Criminal Gang Strike Force. The first recommendation addressed the lack of a conflict of interest policy. The Criminal Gang Strike Force implemented a conflict of interest policy during fiscal year 2000.

The second issue addressed the lack of timely submission of reimbursement requests from the local units. The Department of Public Safety implemented procedures during fiscal year 2001 to insure that local fiscal agents submitted reimbursement requests in compliance with timelines established in the grant agreements.