



Office of the Inspector General  
U.S. Department of Justice



# **Audit of the Village of Willow Springs Police Department's Equitable Sharing Program Activities Willow Springs, Illinois**

Audit Division GR-50-16-005

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# **AUDIT OF THE VILLAGE OF WILLOW SPRINGS POLICE DEPARTMENT'S EQUITABLE SHARING PROGRAM ACTIVITIES WILLOW SPRINGS, ILLINOIS**

## **EXECUTIVE SUMMARY\***

The U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division, has completed an audit on the use of DOJ equitable sharing revenues by the village of Willow Springs, Illinois, Police Department (Willow Springs PD). Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations. During the period of May 1, 2012, through April 30, 2015, the Willow Springs PD received a total of \$589,536 in DOJ equitable sharing revenues to support law enforcement operations.<sup>1</sup> During the same period, the Willow Springs PD reported expenditures of \$966,625 in equitable sharing funds.<sup>2</sup>

The objective of the audit was to assess whether the Willow Springs PD accounted for equitable sharing funds properly and used such revenues for allowable purposes as defined by the applicable regulations and guidelines. Our audit examined activities occurring between May 1, 2012, and April 30, 2015. We found that the Willow Springs PD did not fully comply with the 2009 Guide to Equitable Sharing for State and Local Law Enforcement Agencies (the Guide) with respect to accounting for equitable sharing receipts and the allowable use of equitable sharing funds. Specifically:

- The Willow Springs PD did not have sufficient internal controls and formal policies and procedures to govern the accounting and use of the DOJ equitable sharing funds received.
- The Willow Springs PD held equitable sharing funds in its account longer than the intended duration defined by the Guide, resulting in the identification of \$466,576 in funds to better use.
- The Willow Springs PD did not have adequate support for all of its equitable sharing transactions, including overtime costs and training. Therefore, we questioned \$156,592 in equitable sharing expenditures that were not supported by adequate documentation.
- The Willow Springs PD expended equitable sharing funds on vehicles and a boat that have been utilized only minimally, calling into question their necessity and contribution to enhancing law enforcement operations. We

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\* Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the auditee's response, and are of individuals' names.

<sup>1</sup> The Willow Springs PD's fiscal year begins on May 1 and ends on April 30.

<sup>2</sup> At the end of the audit period, the Willow Springs PD reported that its remaining equitable sharing balance was \$1,084,442.

also identified the reimbursement of unallowable travel expenses. Therefore, we identified \$207,355 in questioned expenses.

Our report contains 15 recommendations that address the weaknesses we identified. We discuss our findings in detail in the Findings and Recommendations section of the report. The audit objective, scope, and methodology are included in Appendix 1.

**AUDIT OF THE  
VILLAGE OF WILLOW SPRINGS POLICE DEPARTMENT'S  
EQUITABLE SHARING PROGRAM ACTIVITIES  
WILLOW SPRINGS, ILLINOIS**

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# **AUDIT OF THE VILLAGE OF WILLOW SPRINGS POLICE DEPARTMENT'S EQUITABLE SHARING PROGRAM ACTIVITIES WILLOW SPRINGS, ILLINOIS**

## **INTRODUCTION**

The Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division conducted an audit on the use of DOJ equitable sharing funds by the village of Willow Springs, Illinois, Police Department (Willow Springs PD). The audit covered the Willow Springs PD's participation in the DOJ Equitable Sharing Program between May 1, 2012, and April 30, 2015.<sup>3</sup> During that period, the Willow Springs PD received a total of \$589,536 in equitable sharing revenues and reported expenditures of \$966,625 in equitable sharing funds.<sup>4</sup>

### **DOJ Equitable Sharing Program**

Because asset forfeiture deprives criminals of the profits and proceeds derived from their illegal activities, it is considered by DOJ to be one of the most powerful tools available to law enforcement agencies. A key element of DOJ's asset forfeiture initiative is the equitable sharing program where the Department and its components share a portion of federally forfeited cash, property, and proceeds with state and local law enforcement agencies.<sup>5</sup>

State and local law enforcement agencies receive equitable sharing funds by participating jointly with DOJ agencies on investigations that lead to the seizure and forfeiture of property. Once an investigation is completed and the seized assets are forfeited, the assisting state and local law enforcement agencies can request a share of the forfeited assets or a percentage of the proceeds derived from the sale of forfeited assets. Generally, the degree of a state or local agency's direct participation in an investigation determines the amount or percentage of funds shared with the agency.<sup>6</sup>

Three DOJ components work together to administer the equitable sharing program: (1) the U.S. Marshals Service (USMS), (2) the Justice Management

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<sup>3</sup> The Willow Springs PD's fiscal year begins on May 1 and ends on April 30.

<sup>4</sup> At the end of the audit period, the Willow Springs PD reported that its remaining equitable sharing balance was \$1,084,442.

<sup>5</sup> The U.S. Department of the Treasury and the U.S. Department of Homeland Security also administer federal asset forfeiture programs.

<sup>6</sup> The Department deferred all equitable sharing payments between December 21, 2015, and March 28, 2016, due to significant budget cuts to the Assets Forfeiture Fund. During that time, however, agencies were allowed to expend funds in accordance with the Equitable Sharing Guidelines. The equitable sharing funds reviewed through the course of this audit were received by the Willow Springs PD prior to the Department's deferment of equitable sharing funds.

Division, and (3) the Criminal Division's Asset Forfeiture and Money Laundering Section (AFMLS). These three components are responsible for issuing policy statements, implementing governing legislation, and monitoring the use of DOJ equitable sharing funds. The USMS is responsible for transferring asset forfeiture funds from DOJ to the receiving state or local agency. The Justice Management Division manages the Consolidated Asset Tracking System, a database used to track federally seized assets throughout the forfeiture life cycle. Finally, AFMLS tracks membership of state and local participants, updates the equitable sharing program rules and policies, and monitors the allocation and use of equitable sharing funds.

Before requesting a share of the seized assets, a state or local law enforcement agency must first become a member of the DOJ Equitable Sharing Program. To participate in the program, agencies sign and submit to DOJ an equitable sharing agreement and certification form. The agreement must be renewed annually, and by signing and submitting the agreement, the officials of participating agencies certify that they will use equitable sharing funds for law enforcement purposes.

### **Willow Springs Police Department**

Willow Springs is located 18 miles southwest of Chicago, Illinois. According to the most recent census, Willow Springs had a population of 5,524 people. As of April 2015, the Willow Springs PD was comprised of 30 employees, including 20 sworn officers. Between fiscal year (FY) 2013 and 2015, the village of Willow Springs replaced two Police Chiefs. The current Police Chief started on January 12, 2015.

### **OIG Audit Approach**

Our audit examined the Willow Springs PD's equitable sharing activities occurring between May 1, 2012, and April 30, 2015. We tested compliance with what we considered the most important conditions of the DOJ Equitable Sharing Program. Unless otherwise stated, we applied the Guide to Equitable Sharing for State and Local Law Enforcement Agencies (the Guide), issued by AFMLS in April 2009 as our primary criteria. The Guide identifies the accounting procedures and requirements for tracking equitably shared monies and tangible property, establishes reporting and audit requirements, and defines the permissible uses of equitably shared resources.

To conduct the audit, we tested the Willow Springs PD's compliance with the following aspects of the DOJ Equitable Sharing Program:

- **Accounting for equitably shared resources** to determine whether standard accounting procedures were used to track equitable sharing assets.
- **Compliance with audit requirements** to ensure the accuracy, consistency, and uniformity of audited equitable sharing data.

- **Use of equitably shared funds** to determine if equitable sharing funds were spent for permissible uses.
- **Federal Equitable Sharing Agreement and Annual Certification Reports** to determine if these documents were complete, accurate, and timely submitted.
- **Monitoring of applications for transfer of federally forfeited property** to ensure adequate controls were established.

See Appendix 1 for more information on our objective, scope, and methodology.



## FINDINGS AND RECOMMENDATIONS

We identified several internal control deficiencies that significantly weakened the Willow Springs PD's management of its equitable sharing activities. For example, we found that the Willow Springs PD did not have any established policies and procedures for administering its equitable sharing program nor did the village of Willow Springs have any written policies and procedures for its financial activities that, in turn, the Willow Springs PD could use. Additionally, the Willow Springs PD did not maintain adequate records, had minimal monitoring of its bank account designated for equitable sharing activity, and did not consistently file the required certification reports in an accurate and timely manner. As a result of the weak internal controls and accounting environment cited above, we identified \$362,186 in questioned costs and \$466,576 in funds to better use.

### **Accounting for Equitably Shared Resources**

According to guidance issued by AFMLS, participating agencies must implement a number of bookkeeping procedures and internal controls to track DOJ equitably shared monies and tangible property. For instance, all equitable sharing funds are to be maintained by the entity that manages the agency's appropriated funds, and agencies are required to follow their jurisdiction's approval and procurement policies for all equitable sharing expenditures. The Guide also states that law enforcement agencies participating in the equitable sharing program are expected to obtain approval for expenditures from the governing body such as the town council or city manager's office, and that law enforcement agencies should establish a separate revenue account and maintain a record of all expenditures. In addition, participating agencies are not supposed to retain federal equitably shared monies unnecessarily. Despite this guidance, we found that the Willow Springs PD did not fully comply with these requirements, as discussed in the following sections.

#### *Inadequate Controls Over Equitable Sharing Bank Account and Funds*

The village of Willow Springs did not believe it was appropriate to participate in the management of the DOJ equitable sharing funds. Instead, the village of Willow Springs believed that all decisions to expend DOJ equitable sharing funds were at the complete discretion of the Willow Springs PD. As a result, the Willow Springs PD maintained control of the bank account established for its federal equitable sharing activities, including the checkbook, and we noted limited interactions between the village of Willow Springs and the Willow Springs PD regarding the accounting for and administering of equitable sharing funds.

We confirmed with the bank that the Willow Springs PD was the only authorized account holder – the Police Chief and the Public Safety Director were the specific account holders. Prior to the current Police Chief's tenure, the former Police Chiefs were the primary account holders. Moreover, during our review of the Willow Springs PD's supporting documentation for our sample of equitable sharing

expenditures, we noted that the former Police Chiefs were the exclusive signers of each check except for a short period during the transition between former Police Chiefs, which is discussed later in this section. Notably, we identified four instances where the former Police Chiefs wrote checks to themselves or a family member for the reimbursement of expenses. Although we determined the expenditures were generally permissible, we believe that allowing individuals to write themselves checks or write checks to related parties is a significant internal control deficiency.

During the transition between former Police Chiefs from February 2013 to April 2013, the Willow Springs PD had an acting Police Chief. During this time, the Village Administrator signed checks from the federal equitable sharing bank account even though the bank stated this individual was not an authorized account holder. However, during the exit conference the Village Administrator stated that bank personnel had previously informed him that he was an authorized account holder on all village accounts, including the federal equitable sharing bank account. Similarly, we noted that the Village Treasurer, who was not an authorized account holder according to our communication with the bank, had the ability to transfer funds into and out of the federal equitable sharing bank account. In line with AFMLS guidance, the Village Administrator and Treasurer should be authorized account holders because these individuals are authorized account holders on the bank accounts holding locally appropriated funding. We believe allowing unauthorized individuals to sign and issue checks, as well as to transfer funds to/from the federal equitable sharing bank account is a significant internal control deficiency. Because bank personnel informed us that the Village Administrator was not an authorized account holder on the federal equitable sharing bank account, the village of Willow Springs should ensure that both the Village Administrator and Treasurer are authorized account holders.

In addition, the Willow Springs PD did not have any formal, written guidelines associated with administering DOJ equitable sharing funds. Similarly, the village of Willow Springs did not have any formal, written general accounting or internal control procedures to which the Willow Springs PD could refer for managing these funds. As a result, each of the Police Chiefs employed during our review period instituted his own method of informal accounting practices, which ranged from maintaining copies of checks, invoices, and bank statements to more formal bookkeeping records using off-the-shelf accounting software, although this software was not the official accounting software of the village of Willow Springs.

#### *Commingling Within the Equitable Sharing Account*

The Guide states that DOJ equitable sharing funds must be accounted for separately from any other funds. We reviewed the Willow Springs PD's equitable sharing receipts to determine if the funds were properly accounted for and deposited. In addition, we reconciled the agency's accounting records to DOJ records of equitable sharing funds provided to the agency.

The Willow Springs PD receives all cash receipts from AFMLS via electronic funds transfer (EFT) from the USMS's E-share program, and funds are deposited

directly into a Willow Springs PD bank account intended solely for the use of DOJ equitable sharing funds.<sup>7</sup> We determined that from FY 2013 through FY 2015, the Willow Springs PD received DOJ equitable sharing revenues totaling \$589,536 to support law enforcement operations. We reviewed all receipts of equitably shared revenues, and we found that deposits were timely. Additionally, we confirmed that these monies were deposited into the bank account established for federal equitable sharing activity.

Although the Willow Springs PD has a separate bank account for its equitable sharing activities, we noted several deposits that were unrelated to DOJ equitable sharing activity. The Willow Springs PD had one officer assigned to a Drug Enforcement Administration (DEA) task force.<sup>8</sup> We observed that although the village of Willow Springs paid this task force officer's overtime from its locally appropriated funds, the DEA's reimbursement of these overtime costs was deposited into the Willow Springs PD's federal equitable sharing bank account. We noted that the Willow Springs PD issued checks to the village of Willow Springs to repay the overtime costs for FY 2014, but we did not identify any similar transfers for overtime costs paid by the DEA for any other fiscal years. Therefore, it seems that the federal equitable sharing bank account contains non-DOJ equitable sharing monies.

Aside from these overtime reimbursements, we also noted other transactions that raise additional concerns with the controls over the federal equitable sharing bank account. Our review of bank account transactions revealed instances where the village of Willow Springs used equitable sharing funds to pay for \$9,112 in expenditures unrelated to the Willow Springs PD. When the village of Willow Springs became aware of the improper payments, it transferred the \$9,112 back into the federal equitable sharing bank account. Additionally, the village of Willow Springs Treasurer erroneously transferred \$75,000 from the federal equitable sharing bank account for the payment of general payroll. After realizing the mistake, the funds were transferred back to the account within the same day but from a different account than where the funds were originally transferred.

### *Inadequate Record Keeping*

We found that neither the village of Willow Springs nor the Willow Springs PD maintained adequate records during the scope of our audit. The Willow Springs PD did not maintain a record of all federal equitable sharing expenditures. Instead, the Village Treasurer told us that at the end of each fiscal year, she reconciled that particular fiscal year's bank statements and created a spreadsheet listing each issued check reflected on the bank statements. Once complete, the Village

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<sup>7</sup> E-share notification is the process of electronic payment from the USMS. Participation in the process is mandatory.

<sup>8</sup> The Willow Springs PD had a task force officer assigned to the DEA task force through September 2014.

Treasurer recorded a journal entry into the Village’s official accounting software for the total amount of equitable sharing expenditures incurred during that fiscal year.

*Retaining Equitably Shared Funds Unnecessarily*

While analyzing the equitable sharing receipts, we observed that the Willow Springs PD maintained a high balance in its equitable sharing bank account throughout the scope of our audit. According to the Guide, shared monies should not be retained unnecessarily, and shared monies may be retained in a holding account for up to 3 years to satisfy future needs. Based upon the Guide’s 3-year reference, we computed the amount of equitable sharing funds on-hand for more than 3 years by using the information the Willow Springs PD reported to AFMLS in its annual certification reports. We began with the beginning balance of equitable sharing funds on hand at the start of FY 2013 and then subtracted the expenditures incurred during FYs 2013 through 2015, as reflected in Table 1. We concluded that \$466,576 in equitable sharing funds received prior to May 2012 (the start of FY 2013) had not yet been expended by April 2015 (the end of FY 2015). This significant balance indicates that the Willow Springs PD is not expending equitable sharing funds in a timely manner, which is not consistent with the intent of the DOJ Equitable Sharing Program. As discussed in the Use of Equitably Shared Resources section of this report, we identified concerns with certain expenditures not truly enhancing the department’s law enforcement operations. As a result, we believe that the Willow Springs PD should develop a strategic plan for expending its equitable sharing funds in a judicious but timely manner that enhances the department’s operations.

**Table 1**

**Funds Held Greater Than 3 Years**

FY 2013 Beginning Balance	\$1,433,201
Less: FY 2013 Expenditures	\$448,115
FY 2014 Expenditures	\$365,105
FY 2015 Expenditures	\$153,405
<b>Total</b>	<b>\$466,576</b>

Source: Willow Springs PD ESAC Reports

In August 2015, the village of Willow Springs implemented an accounting policy outlining certain facets of its equitable sharing activities. However, after reviewing this policy, we found it needed additional details. In October 2015, the village of Willow Springs implemented Ordinance Number 2015-O-16, which strengthens the internal controls over the Village’s financial processes. However, we noted that the procedures do not contain a requirement for the Village to keep inventory records nor does it define the expenditure amounts that require oversight by the Village Administrator. Given the weaknesses related to account controls, commingling, recordkeeping, and the holding of funds for excessive periods, we believe that the Willow Springs PD, in conjunction with the village of Willow Springs, needs to evaluate and improve the formal, written procedures to timely and accurately account for all DOJ equitable sharing transactions. Additionally, the Village should ensure that its equitable sharing activities are monitored on a more

routine basis and maintain adequate records to support all equitable sharing activities. These procedures should incorporate stronger internal controls over the equitable sharing bank account and the authorization and payment of expenses paid with equitable sharing funds. Moreover, we recommend that the \$466,576 in equitable sharing funds that have been held for more than 3 years be put to better use.

## **Compliance with Audit Requirements**

The Guide requires the Willow Springs PD to comply with audit requirements of the Single Audit Act and Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133). OMB Circular A-133 requires non-federal entities to have a single audit performed if they have expended \$500,000 or more in federal funds in a given year.<sup>9</sup> The Single Audit Report is required to include a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements.

Within our review period, FY 2013 was the only year where the village of Willow Springs expended more than \$500,000 in federal funds and, thus, required a Single Audit. To determine if the village of Willow Springs accurately reported DOJ equitable sharing fund expenditures on its Schedule of Expenditures of Federal Awards, we reviewed the Willow Springs PD's accounting records, Equitable Sharing Agreements and Annual Certification (ESAC) reports, and the village of Willow Springs' Single Audit Report for FY 2013. We found that the total amount of expenditures reflected on its Schedule of Expenditures of Federal Awards (\$461,042) was consistent with the total expenditures reported on the Village Treasurer's spreadsheet of equitable sharing activities. However, these amounts did not agree with the total expenditures shown on the FY 2013 ESAC report. The FY 2013 ESAC report stated that the total expenditures were \$448,115 – nearly a \$13,000 difference to the figure reported on the Schedule of Expenditures of Federal Awards and contained in the accounting records. The FY 2013 Single Audit Report noted this same issue, and we further discuss the issue in the Federal Equitable Sharing Agreement and Annual Certification (ESAC) Reports section of the report.

The village of Willow Springs' FY 2013 Single Audit Report disclosed three additional weaknesses that potentially affect the Willow Springs PD's administration of equitable sharing funds. Specifically, the report stated that the village of Willow Springs did not: (1) have a formal review process for monthly bank reconciliations or journal entry postings to the general ledger, (2) maintain an accurate and complete listing of all capital assets held, and (3) have formal, written internal control policies and procedures. During our audit, we identified similar deficiencies with the Willow Springs PD's administration of DOJ equitable sharing funds. Specifically, we found significant internal control deficiencies associated with its

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<sup>9</sup> Currently the single audit requirement has been raised to \$750,000 or more in federal expenditures in a given year. However, the \$500,000 threshold applied during our review period.

established bank account for DOJ equitable sharing funds, and that neither the Willow Springs PD nor the village of Willow Springs had formal, written internal control policies and procedures. The previous section of this report discusses both of these issues. We also found that the Willow Springs PD did not maintain a listing of its accountable property, which is discussed in the following section of this report. The Village Administrator and Treasurer told us that they have been actively working with DOJ to ensure the village of Willow Springs takes appropriate actions to address the FY 2013 Single Audit Report recommendations. As mentioned in the previous section of this report, in October 2015 the village of Willow Springs' President and Board of Trustees approved formal, written policies and procedures established for handling, appropriating, and authorizing the use of Village funds. However, these policies and procedures do not discuss the maintaining of an accurate and complete listing of all capital assets held.

### **Use of Equitably Shared Resources**

The Guide requires that equitable sharing funds received by state and local agencies be used for law enforcement purposes, and that these agencies use the funds prudently to avoid any appearance of extravagance, waste, or impropriety. Generally, the Willow Springs PD used its equitable sharing funds to pay for overtime, vehicles and related accessories, a boat, computer equipment, and travel in conjunction with training. To determine whether the expenditures were supported and allowable under the equitable sharing guidelines, we reviewed a sample of 56 transactions totaling \$782,567. The following sections discuss the results of our testing.

#### *Overtime and Other Payroll Costs*

We selected and tested three transactions from the accounting records representing reimbursement to the village of Willow Springs for full-time, sworn officer overtime costs for a series of pay periods in FY 2014 and FY 2015. The selected transactions totaled \$151,672. We reviewed supporting documentation, including journal entries and time card records for selected officers within different pay periods, that provided us with a comprehensive overview of the Willow Springs PD's payroll process.

According to the union agreement, any sworn officer's time in excess of 80 hours per pay period is considered overtime. The agreement further stipulates that overtime costs should be calculated by multiplying the overtime hours worked by 1.5 times the normal salary rate. The Willow Springs PD has an electronic card system for timekeeping purposes where officers are responsible for swiping their time card when they arrive and again when they depart. A system-generated time report is printed and used in computing the total hours worked during a pay period. In addition, when officers incur overtime, they submit a separate "Overtime Worked Report," which should include a justification and supervisory approval for the extra time. These overtime worked reports are provided to a Willow Springs PD employee who, in turns, fills out a separate "Overtime – Time Due Sheet" for each officer. In filling out these paper timesheets, the employee uses a system of

recording numbered hours or dots and circled dots, where a dot indicates 1 hour of overtime worked and a circled dot indicates 30 minutes of overtime worked. At the end of each pay period, the employee tallies each officer's overtime hours on the "Overtime – Time Due Sheet" and then manually writes the overtime hours onto each officer's system-generated time report. The Willow Springs PD submits these system-generated time reports, including the handwritten overtime notes, to the Village, and the Village enters the total hours worked into the payroll system based upon the handwritten notes.

During our review, we identified numerous deficiencies with the overtime process, including:

- The system-generated time reports contained missing "In" and "Out" times because officers failed to swipe their cards once they arrived and/or departed. For example, within our sample, one of the three officers failed to consistently swipe in and out. As a result, we could not verify that the officers actually worked the base and/or overtime hours indicated.
- The times and number of overtime hours were not always consistent on the "Overtime Worked Report," which is prepared by the officer. For example, one officer's report showed working from 2:00 p.m. to 4:00 p.m., yet the officer requested and received 4 hours of overtime.
- The overtime hours reflected on the "Overtime – Time Due Sheet" were not consistent with the handwritten number of overtime hours on the system-generated time reports. For example, one of the "Overtime – Time Due Sheet" records indicated an officer worked 9.5 hours of overtime. However, the handwritten number of overtime hours worked on the system-generated time report was 17.5. Moreover, the system-generated time report calculated 9 hours of overtime based upon the "In" and "Out" times recorded in the system.
- The "Overtime Worked Reports" lacked supervisory approval on all requests submitted prior to January 2015.
- While the union agreement states overtime will be paid by multiplying the overtime hours by 1.5 times the regular salary rate, the village of Willow Springs was computing the overtime costs by multiplying the regular salary rate by 1.5 times the number of overtime hours worked. Although these computations result in the same overtime costs when executed correctly, the method used by the village of Willow Springs increased the risk of human error because the village of Willow Springs manually multiplied the number of overtime hours by 1.5, and we identified small errors in these manual computations in the sample of overtime transactions we reviewed.

In addition to these issues, we also found that the Willow Springs PD paid officers for special shift time instead of providing them with compensatory time off as required by the union agreement. The Willow Springs PD has two types of special shift time: Officer in Charge and Field Training Officer. When officers spend time acting as Officer in Charge or as a Field Training Officer, the union agreement

stipulates that officers receive additional compensation for these activities in the form of compensatory time off. According to the agreement, any employee serving as Officer in Charge or Field Training Officer shall receive 1 hour of compensatory time, calculated at the straight time rate, for each full shift served. Officers can accrue up to 188 hours of compensatory time off.

Although the union agreement contains sufficient details to guide the accounting of special shift hours, the Willow Springs PD was not following the established process. Rather than granting 1 hour of compensatory time for each full special time shift, the Willow Springs PD was paying officers serving as Officer in Charge or Field Training Officer for 2 hours of special shift time and was not consistently applying a pro-rated amount for officers serving only partial shifts. Additionally, we found that several officers had reached the 188-hour maximum for accrued compensatory time off. When officers reached this level, the hours were paid out in the overtime cost category. As a result, the Willow Springs PD was incorporating the hours into overtime payments to these officers when the officers were not actually working more hours than their regular shift.

We acknowledge that the Willow Springs PD's union agreement allows compensatory time off to be earned when officers act as Officer in Charge or as a Field Training Officer. However, this is not extra time worked; it appears that the compensatory time is awarded in recognition of the additional responsibilities required while working these special shifts. In light of the Guide requirement that states salary costs are generally impermissible, we do not believe that DOJ equitable sharing funds should be used to pay for these costs.

Moreover, we have significant concerns with the adequacy and accuracy of the support for overtime costs. We believe the overtime process employed by the Willow Springs PD is inconsistent, insufficient, and does not provide adequate support to ensure overtime costs were, in fact, incurred, authorized, and calculated correctly. As a result, we are questioning the \$151,672 in overtime costs paid for with equitable sharing funds as unsupported.

In April 2015, the Police Chief instituted a new payroll procedure, which states:

"Overtime is to be approved by a supervisor and submitted in a timely manner... overtime submitted must correspond with the time clock as worked and approved by the duty supervisor..."

The Willow Springs PD has not paid for any overtime costs with equitable sharing funds since this policy was enacted. We encourage the village of Willow Springs and the Willow Springs PD to evaluate the new timekeeping procedures and ensure that overtime costs are properly supported and authorized.



## *Vehicles*

We also tested expenditures relating to the purchase of several police vehicles. During the scope of our audit, the Willow Springs PD used equitable sharing funds to purchase 13 vehicles, consisting of 1 sports car, 2 ATVs, 2 motorcycles, 2 sedans, 5 sport utility vehicles (SUV), and 1 truck. Our review of vehicle purchases raised concerns about the Willow Springs PD's controls over procurement activities. We do not believe that the Willow Springs PD employed a rigorous or judicious process in its decisions to purchase vehicles. As previously discussed, the Willow Springs PD did not have any formal, written guidelines associated with administering DOJ equitable sharing funds nor did the village of Willow Springs have any formal, written general accounting or internal control procedures to which the Willow Springs PD could refer for managing these funds. For example, the Willow Springs PD did not maintain inventory records and, thus, could not include an assessment of existing vehicles to the number of sworn officers in determining how many new vehicles to purchase. While the purchase of vehicles is a permissible use of equitable sharing funds, the intent of the DOJ Equitable Sharing Program is that the vehicles should be used to enhance the department's operations, and equitable sharing expenditures should not be wasteful or extravagant. The following discusses our concerns as to whether the Willow Springs PD's purchase of each of these vehicles was necessary and has truly enhanced the Willow Springs PD's operations.

While conducting on-site visits to the Willow Springs PD, the audit team regularly observed several vehicles purchased with equitable sharing funds parked in a remote lot and not being used. As a result, we assessed the usage of the vehicles by observing the mileage of the vehicles. We identified four vehicles that seemed to have limited use as illustrated by the low number of miles incurred. Specifically, in September 2013, the Willow Springs PD purchased 2 motorcycles that cost \$22,063 each; and as of July 2015, these motorcycles only had 799 and 512 miles, respectively, on their odometers. In addition, the Willow Springs PD paid an additional \$23,562 to have these motorcycles outfitted with accessories that we believe were unnecessary. For example, the accessories included new wheels, exhaust, chrome appearance upgrades, and heated handgrips. Therefore, the Willow Springs PD spent \$67,688 in DOJ equitable sharing funds for 2 motorcycles that have been driven a total of 1,311 miles over 23 months.

Similar to the motorcycles, we found that a sports car and a heavy-duty truck had very low mileage. In June 2014, the Willow Springs PD purchased a used sports car for \$24,189, and the Police Chief referred to this car as a "pursuit" vehicle.<sup>10</sup> As of July 2015, the vehicle had a total of only 518 miles since its purchase. Moreover, the Willow Springs PD purchased a heavy-duty truck in March 2013 for \$24,694. The Police Chief told us that the truck was used to tow the Willow Springs PD boat and ATV trailer.

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<sup>10</sup> In its response to the report, the Willow Springs PD said that characterizing the sports car as a pursuit vehicle is inaccurate. However, that was the description provided by the Police Chief during the audit.

However, as of July 2015, the truck only had a total of 1,910 miles since purchase.

In conjunction with the limited use of vehicles, we are concerned with the procurement decisions of the Willow Springs PD. Specifically, we have concerns with the Willow Springs PD's use of two SUVs and two sedans purchased with equitable sharing funds. The Willow Springs PD purchased two new SUVs with equitable sharing funds – one purchased for \$44,840 in January 2013, and the other purchased for \$39,725 in February 2013. As of July 2015, these vehicles had 37,550 and 20,402 miles, respectively, on their odometers. While the mileage indicates that these vehicles have been used since the time they were purchased, these vehicles remained parked in the same location during all of our site visits. Similarly, the Willow Springs PD purchased two new sedans for \$24,152 each in April 2013, and these cars had 17,442 and 20,765 miles, respectively, on their odometers. These two cars also remained parked in the exact same location during each of our site visits. The Police Chief told us that all four of these vehicles had been taken out of service, and that he intended to sell or trade-in the vehicles.

We are also concerned with the decision to purchase similar vehicles at significantly different costs. The Willow Springs PD purchased a new 2013 SUV in February 2013 for \$39,725 (the same vehicle mentioned in the preceding paragraph). It purchased another new 2013 SUV in April 2013 from a different dealership. Although the SUV purchased in April 2013 was the same make and model as the one purchased in February 2013, the SUV purchased in April 2013 was \$13,000 more. According to the Police Chief, the more costly vehicle was a high-end consumer package versus the less costly standard police package. We believe the difference in price highlights the Willow Spring PD's lack of asset purchase planning.

Due to exceptionally low usage of the motorcycles, sports car, and heavy-duty truck, we are questioning the \$116,572 in equitable sharing funds expended on them because we believe the purchases to be unnecessary and wasteful.<sup>11</sup> We also are concerned with the apparent non-use of the other four vehicles described above that the Willow Springs PD plans to sell or trade-in and, in general, with the Willow Springs PD's vehicle procurement decisions. We believe that the Willow Springs PD needs to employ a more rigorous and judicious process in assessing the needs of the department and the purchase of vehicles. For example, at a minimum, the Willow Springs PD should consider the number of sworn officers and its existing vehicle fleet prior to the purchase of new vehicles. We attempted to perform such an analysis. However, the Willow Springs PD did not have historical inventory records, and as a result, we were unable to complete that review. According to the Guide, entities are to keep a record of everything

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<sup>11</sup> The total amount questioned is \$1 more than the sum of the individual amounts questioned in this section due to rounding.

purchased with DOJ equitable sharing funds. We believe that the Willow Springs PD should implement procedures for appropriately assessing the need to use equitable sharing funds to purchase items that will enhance the department's operations. These procedures should include a routine assessment of the use of equipment and timely action to dispose of items no longer needed. In addition, the Willow Springs PD should maintain a listing of all capital assets, including those purchased with DOJ equitable sharing funds, that could then be used in the Willow Springs PD's procurement process to help assess and justify the need for items being purchased.

### *Boat and Related Expenditures*

In FY 2013, the Department of Homeland Security (DHS) awarded a grant in the amount of \$ 223,766 to the Willow Springs PD. The purpose of the grant was to purchase a boat to patrol and maintain order on the Des Plaines River. The Willow Springs PD used the grant funds to purchase a 26-foot police boat that cost a total of \$303,635. Because the grant was only for \$223,766, the Willow Springs PD used \$83,039 in equitable sharing funds to pay for the remaining cost of the boat. Current Willow Springs PD officials stated that they believed the boat had only been used two or three times for two to three missions, but that they were not aware of the department maintaining a usage log to confirm how often the boat had been used. Because there was no support to show the use of the boat and claims that it was only used a couple of times, we are questioning the \$83,039 in equitable sharing funds used to pay the remaining costs associated with the boat purchase.

In addition to the cost of the boat, we are questioning an additional \$4,863 in boat-related expenses as follows:

- \$3,783 in unallowable costs for the purchase of flotation vests. According to the invoice, the Willow Springs Fire Department purchased these vests. Although the vests were likely purchased for use on the Willow Springs PD boat, the Willow Springs PD should be initiating and authorizing the purchase of items with equitable sharing funds.
- \$1,080 in unsupported costs for police watercraft training in California. The Willow Springs PD was unable to provide certifications to support officer attendance at the training.

### *Travel Expenditures*

Our sample included \$3,989 in expenditures for officers to travel to law enforcement-related training classes.<sup>12</sup> For our sample transactions, the Willow Springs PD provided lodging and miscellaneous travel receipts, as well as memoranda to the Village Administrator to pay per diem costs. However, the

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<sup>12</sup> The \$3,989 in training-related expenditures reviewed does not include the \$1,080 for watercraft training that we discussed in the Boat and Related Expenditures section of this report and that we questioned as unsupported.

Willow Springs PD was generally unable to provide appropriate evidence that its officers actually attended law enforcement-related training that resulted in the incurrence of travel-related costs. The Willow Springs PD only had training certificates to support one individual attending a training event in March 2014. Therefore, we question \$3,839 of the total \$3,989 in our sample due to insufficient supporting documentation.

Despite the insufficient supporting documentation to show individuals' attendance at various training events, we reviewed the travel-related support to see if the travel costs were allowable. The Guide states that participants must follow state regulations in the payment of travel and per diem reimbursements, and we referred to the "Travel Guide for State of Illinois Employees" (Illinois Travel Guide) for this information. Absent specific criteria in the Illinois Travel Guide regarding when reimbursement was appropriate, we utilized the General Services Administration (GSA) Federal Travel Regulations (FTR) for the definition of when an employee is considered in travel status.

Based upon our review of these expenditures and the corresponding travel regulations, we found that the Willow Springs PD paid for lodging and per diem costs in excess of the authorized amounts established by the state. For example, we noted several officers attended training in the Peoria, Illinois, area. According to the Illinois Travel Guide, the lodging rate for this area is capped at \$70 per night. However, we found that one officer spent \$135 per night (excluding tax). We noted four other similar instances where officers were reimbursed for lodging costs in excess of the authorized per diem. We also questioned the difference between the amount taxed and the amount that would have been taxed if the correct lodging rate had been utilized. Additionally, we found seven instances where officers applied the GSA meals and incidental rate rather than the rates stipulated in the Illinois Travel Guide. For example, officers traveled to Springfield, Illinois, and requested reimbursement at a rate of \$50 per day for meals and incidentals even though the Illinois Travel Guide states that the reimbursement rate for meals and incidentals for Springfield, Illinois, is \$28 per day. Therefore, we question \$1,653 in unallowable travel costs that were in excess of state travel allowances.

In addition to excessive costs, we found two occasions where an officer traveled to a neighboring town, and the Willow Springs PD used equitable sharing funds to pay for the officer's lodging costs. The Illinois Travel Guide does not define instances when an individual is eligible for reimbursement of travel expenses. As a result, we referred to the FTR that states an individual is eligible to be reimbursed for travel expenses if: (1) the individual performs official travel away from his/her official station, (2) the individual incurs per diem expenses while performing official travel, and (3) the individual is in a travel status for more than 12 hours. Because each day's training did not exceed 12 hours and the training location was only 14 miles from the Willow Springs PD, we question \$174 in

unallowable travel costs where unnecessary lodging costs were incurred. In total, we question \$1,827 in unallowable travel expenditures.<sup>13</sup>

#### *Other Direct Costs*

The Willow Springs PD used DOJ equitable sharing funds to pay for other expenses, such as computer equipment, tasers, and office furniture. While the majority of these expenses were properly supported and appeared to enhance the Willow Springs PD's operations, we identified one expenditure that we deemed to be impermissible. The Willow Springs PD used \$2,135 in equitable sharing funds to pay an external entity to "spring clean" the police department. Because the village of Willow Springs has a janitorial contract that is responsible for routine cleaning of the Willow Springs PD, we do not believe this expense enhanced the department's operations. Therefore, we question \$2,135 as unallowable.

#### *Supplanting*

According to the Guide, equitable sharing funds must be used to increase or supplement the resources of the receiving state or local law enforcement agency or any other recipient agency.

To identify indicators of supplanting, we examined the Willow Springs PD's total budgets for 7 fiscal years (FYs 2009 through 2015). We found that the Willow Springs PD's budget decreased from FY 2010 through FY 2012. However, we found this decrease to be consistent with an overall decrease throughout the village of Willow Springs. Within the scope of our audit (FY 2013 to FY 2015), the Willow Springs PD experienced an increase in locally appropriated funds. Accordingly, we found no evidence to indicate that the Willow Springs PD used equitable sharing funds to supplant its local resources during the scope of our audit.

### **Federal Equitable Sharing Agreement and Annual Certification (ESAC) Reports**

The Guide requires any state or local law enforcement agency that receives forfeited cash, property, or proceeds because of a federal forfeiture to submit an annual certification report. The submission of this form is a prerequisite to the approval of any equitable sharing request. The certification report must be submitted every year within 60 days after the end of the agency's fiscal year regardless of whether funds were received or maintained during the fiscal year. In addition, the head of the law enforcement agency and a designated official of the local governing body must sign the certification report. By signing the form, the signatories agree to be bound by the statutes and guidelines that regulate the

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<sup>13</sup> Of this \$1,827, \$1,761 is also questioned as unsupported costs because the Willow Springs PD was unable to provide sufficient evidence that the officers attended law enforcement-related training.

equitable sharing program and certify that the law enforcement agency will comply with these guidelines and statutes.

To ensure that the appropriate agency officials properly prepared, signed, and submitted the reports, we reviewed the annual certification reports for FYs 2013, 2014, and 2015, and we found that the appropriate officials signed the reports. In addition, we reviewed the reports to determine if they were submitted within the required 60-day window. While the FY 2015 report was submitted on time, the FY 2013 and FY 2014 reports were submitted 45 days and 1 day late, respectively. The FY 2013 Single Audit Report also noted that the FY 2013 certification report was filed in an untimely manner.

We also reviewed the annual certification reports for accuracy and completeness. While the reports for FY 2014 and FY 2015 accurately reflected the equitable sharing funds received, we found that the initial certification report submitted for FY 2013 did not accurately reflect the amount received. However, the Willow Springs PD submitted an amended certification report for FY 2013 that reflected the correct amount of funds received.

Besides analyzing the funds received, we also compared the total expenditures reflected on the ESACs to the total amounts shown in the Village Treasurer's records, as well as to the Detailed Revenue and Expense Reports generated from the official accounting system. We determined that the certification reports for FY 2013 through FY 2015 did not accurately reflect the expenditures incurred based upon the figures reflected in the documentation provided by the Village Treasurer. For example, the FY 2013 certification report indicated that the Willow Springs PD had expended \$448,115 in equitable sharing funds during the fiscal year. In contrast, the Detailed Revenue and Expense Report for FY 2013 reflected that the Willow Springs PD had expended \$483,597 in equitable sharing funds, while the Village Treasurer's spreadsheet showed \$461,042 in total expenditures.<sup>14</sup> Similarly, the FY 2014 certification report showed total expenditures of \$365,105, while the spreadsheet disclosed total expenditures of \$396,550 and the Detailed Revenue and Expense Report reflected total expenditures of \$445,854.

We recommend that the village of Willow Springs, in conjunction with the Willow Springs PD, develop written procedures to ensure the annual certification reports are timely and accurately prepared and submitted. In addition, the village of Willow Springs, in conjunction with the Willow Springs PD, should review the equitable sharing expenditures per its accounting records and make sure those records accurately reflect the equitable sharing activities that occurred during each fiscal year of our review period. Then, the village of Willow Springs, in conjunction with the Willow Springs PD, should, if necessary, submit revised certification reports

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<sup>14</sup> As discussed in the Compliance with Audit Requirements section of this report, we also found that the total expenditures on the FY 2013 certification report did not agree with the total expenditures reported on the Schedule of Expenditures of Federal Awards.

for FY 2013 through FY 2015 that accurately reflect the expenditures incurred per the accounting records.

### **Monitoring of Applications for Transfer of Federally Forfeited Property**

An agency must complete a Form DAG-71 when requesting its portion of equitable sharing funds.<sup>15</sup> According to the Guide, all participating agencies should maintain a DAG-71 log of all sharing requests that consecutively numbers the requests. In addition, the Guide requires that the DAG-71 log be updated when an E-share notification is received. These DAG-71 log requirements were effective at the time of our fieldwork. However, in July 2015 AFMLS advised state and local law enforcement agencies that they no longer needed to maintain a DAG-71 log.

During our fieldwork, we found that the Willow Springs PD did not maintain copies of all submitted DAG-71s. We also found that the Willow Springs PD did not maintain a consecutively numbered log of its DAG-71s, which contained all required elements. As mentioned, as of July 2015, state and local law enforcement agencies are no longer required to maintain a DAG-71 log. As a result, we do not recommend any actions be taken on the issues we identified during our fieldwork regarding the requirements in effect at that time.

### **Views of Responsible Officials**

We discussed the results of our review with officials from the village of Willow Springs and the Willow Springs PD throughout the audit and at a formal exit conference. Their input on specific issues has been included in the appropriate sections of the report.

### **Recommendations**

We recommend that the Criminal Division:

1. Ensure that the Willow Springs PD, in coordination with the village of Willow Springs, establishes formal, written procedures for the administration of DOJ equitable sharing funds. These procedures should ensure that the Willow Springs PD timely and accurately accounts for all DOJ equitable sharing transactions, monitors its equitable sharing activities on a more routine basis, and maintains adequate records to support all equitable sharing activities. These procedures should also incorporate stronger internal controls over the DOJ equitable sharing bank account and the authorization and payment of expenses paid with equitable sharing funds.
2. Put to better use the \$466,576 in equitable sharing funds that have been held for more than 3 years.

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<sup>15</sup> The Form DAG-71, Application for Transfer of Federally Forfeited Property (DAG-71), is the DOJ form submitted by a state or local agency to the federal seizing agency to request a share of seized assets.

3. Remedy the \$151,672 in overtime expenditures not supported by adequate documentation.
4. Ensure that the Willow Springs PD evaluates the new timekeeping procedures to ensure that overtime costs are properly supported and authorized.
5. Remedy the \$116,572 in questioned costs related to the purchase of vehicles that were minimally used and, therefore, did not enhance law enforcement operations.
6. Ensure the Willow Springs PD implements procedures for appropriately assessing the need to use equitable sharing funds to purchase items that will enhance the department's operations. These procedures should include a routine assessment of the use of equipment and timely action to dispose of items no longer needed.
7. Ensure that the Willow Springs PD maintains a listing of all capital assets, including those purchased with DOJ equitable sharing funds.
8. Remedy the \$83,039 in DOJ equitable sharing funds used in conjunction with federal grant funds to purchase a boat that was not used to enhance law enforcement operations.
9. Remedy the \$3,783 in unallowable expenditures for the purchase of floatation vests by the Willow Springs Fire Department.
10. Remedy the \$1,080 in training costs that were not supported by adequate documentation.
11. Remedy the \$3,839 in travel costs that were not supported by adequate documentation of the law enforcement training completed.
12. Remedy the \$1,827 in unallowable expenditures for the reimbursement of travel-related expenditures in excess of authorized per diem rates.
13. Remedy the \$2,135 in unallowable expenditures for the reimbursement of special cleaning services for the Willow Springs PD.
14. Ensure that the Willow Springs PD, in conjunction with the village of Willow Springs, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports.
15. Ensure that the Willow Springs PD, in conjunction with the village of Willow Springs, reviews its equitable sharing expenditures per its accounting records and submits, if necessary, amended certification reports for FY 2013 through FY 2015 that accurately reflect expenditures incurred.



## **OBJECTIVE, SCOPE, AND METHODOLOGY**

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objective.

### **Objective**

The objective of this audit was to assess whether equitably shared cash and property received by the requesting agency were accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines. We tested compliance with the conditions of the DOJ equitable sharing program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including:

- Guide to Equitable Sharing for State and Local Law Enforcement Agencies, dated April 2009; and
- OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, revised June 2003.

Unless otherwise stated in our report, the criteria we audited against are contained in these documents.

### **Scope and Methodology**

Our audit concentrated on, but was not limited to, equitable sharing receipts received by the Willow Springs PD from May 1, 2012, through April 30, 2015. During that period, the Willow Springs PD received a total of \$589,536 and reported expenditures of \$966,625 in equitable sharing funds. We performed audit work mainly at the Willow Springs PD located in Willow Springs, Illinois. We interviewed Willow Springs PD and village of Willow Springs officials and examined their records of DOJ asset forfeiture revenues and expenditures of equitable sharing funds.

We judgmentally determined which transactions had the potential of being high-risk and selected a sample that contained the highest dollar transactions for each fiscal year, as well as other potentially impermissible transactions. This non-statistical sample design does not allow for the projection of test results to all disbursements. In total, we reviewed 56 transactions totaling \$782,567 out of the \$966,625 expended during our audit period.

In addition, we relied on computer-generated data contained in the DOJ Consolidated Asset Tracking System and the USMS EFT system for determining equitably shared revenues and property awarded to the Willow Springs PD during

the audit period. We did not establish the reliability of the data contained in these systems as a whole. However, when the data used is viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations included in this report are valid.

In planning and performing our audit, we considered internal controls established and used by the Willow Springs PD and the Village Finance Department in managing the DOJ Equitable Sharing Program. We did not assess the reliability of the Willow Springs PD's overall financial management system or the internal controls of that system. Moreover, we did not assess internal controls and compliance with laws and regulations for the Willow Springs government as a whole. Our audit included an evaluation of the village of Willow Springs' Single Audit Report for FY 2013. The Single Audit Report was prepared under the provisions of OMB Circular A-133.

## SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount <sup>16</sup>	Page
Unallowable Costs:		
Underutilized Vehicles Expenditures	\$116,572	13
Underutilized Boat Expenditure	83,039	13
Floatation Vests	3,783	14
Unallowable Travel Expenses	1,827	15
Cleaning Services	2,135	15
<b>Total Unallowable Costs</b>	<b>\$207,355</b>	
Unsupported Costs:		
Willow Springs PD Overtime Costs	\$151,672	11
Boat-Related Training Costs	1,080	14
Travel Costs Associated with Training	3,839	14
<b>Total Unsupported Costs</b>	<b>\$156,592</b>	
<b>Total Questioned Costs<sup>17</sup></b>	<b>\$363,947</b>	
<i>Less: Duplicate Questioned Costs<sup>18</sup></i>	<i>(1,761)</i>	
<b>Net Questioned Costs</b>	<b>\$362,186</b>	
Funds to Better Use: <sup>19</sup>		
Funds Unnecessarily Held Longer Than 3 Years	\$466,576	7
<b>Total Funds to Better Use</b>	<b>\$466,576</b>	
<b>Total Net Dollar-Related Findings</b>	<b>\$828,762</b>	

<sup>16</sup> The totals of our dollar-related findings may be greater or less than the sum of the individual amounts shown due to rounding.

<sup>17</sup> **Questioned Costs** are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

<sup>18</sup> Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts. Of the \$1,827 in unallowable travel expenses, \$1,761 was also questioned as unsupported costs.

<sup>19</sup> **Funds to Better Use** are funds not yet expended that could be used more efficiently if management took actions to implement and complete audit recommendations.

AUDITEE RESPONSE

ALAN P. NOWACZYK  
VILLAGE PRESIDENT  
  
ADENA BASKOVICH  
VILLAGE CLERK  
  
WILLIAM P. MURRAY  
VILLAGE ADMINISTRATOR



TRUSTEES  
GEORGE BARTIK  
MARIO IMBARRATO  
ANNETTE KAPTUR  
KEVIN J. MALONEY  
KATHRYN STANPHILL  
JERRY STRAZZANTE

February 8, 2016

The following is the response to the 15 recommendations to the DOJ draft audit.

1. Ensure that the Village of Willow Springs PD, in coordination with the Village of Willow Springs, establishes formal, written procedures for the administration of DOJ equitable sharing funds. These procedures should ensure that the Willow Springs PD timely and accurately accounts for all DOJ equitable sharing transactions, monitors its equitable sharing activities on a more routine basis, and maintains adequate records to support all equitable sharing activities. These procedures should also incorporate stronger internal controls over the DOJ equitable sharing bank account and the authorization and payment of expenses paid with equitable sharing funds.

Response- Agree

The Village of Willow Springs has reviewed its internal control procedures and has established written procedures for all Village funds. It will monitor the implementation of these procedures and continue to develop and enhance procedures going forward.

2. Put to better use the \$466,576 in equitable sharing funds that have been held for more than 3 years.

Response- Agree

The funds have been held for more than 3 years. The Police Department had planned on enhancing safety and its operation by installing a Sally Port and moving its jail cells to ground level. Currently the cells are located in the basement of the Police Department, creating a potential hazard to Police personnel escorting prisoners down stairs, and liability in the handling of prisoners. This major capital improvement project was held up by the announcement of State legislation requiring smaller dispatch centers to merge. The Village and Department have since been negotiating Dispatch and prisoner handling with another agency and capital improvements have been placed on hold.

Remedy the \$151,672 in overtime expenditures not supported by adequate documentation.

Response- Agree

The Village agrees that instances of Overtime, Officer in Charge and Field Training compensation documentation in some circumstances were inadequate. The overtime paid out was actually served by sworn police personnel. The Police Department has implemented new procedures to better document and supervise overtime.

4. Ensure that the Willow Springs PO evaluates the new timekeeping procedures to



ensure that overtime costs are properly supported and authorized.

Response-Agree: The Willow Springs Police Department has implemented Policy 1038 (effective date of April 27, 2015), General Order 15-09 (effective date of October 27, 2015). In addition, all overtime submitted is on a triplicate form with a secondary review by my office of designee.

5. Remedy the \$116,572 for vehicle purchases that were minimally used and, therefore, did not enhance law enforcement operations.

Response- Disagree

Police Motorcycles- These are special purpose Police motorcycles that do enhance law enforcement operations. The Willow Springs Police Department has two (2) 2013 Harley Davison Motorcycles, Vehicle Identification Numbers (VIN) of 1HD1FMM15DB666406 and 1HD1FMM1XDB672265. The motorcycles are limited to seasonal use/special events and require specific training for duty patrol purposes.

After taking office on January 12, 2015, a review of personnel training records indicated that no officer was adequately trained to operate the police motorcycle other than current Chief [REDACTED]. The department's goal is to send additional officers Police Motorcycle training. Loss of department personnel from resignations, retirement and disability has significantly impeded that goal. The liability related to allowing the use of the Police Motorcycles by inadequately trained personnel is great and not allowed by my office.

The Police Motorcycles do enhance law enforcement operations and will see increased future use as staffing levels increase and officers are properly trained.

Regarding the accessories of \$23,562 as noted on page 12 of the draft audit, I do not have sufficient information to agree or disagree on this expenditure and would defer to the DOJ/ AFML permissible spending for that time frame.

Sports Car - The Willow Springs Police Department purchased a used 2013 Camaro (VIN 2G1FB1E32D9107469) 06-14-2013 under title number X3226699353. The Odometer reading at the time of purchase was 151 miles as purported in the Illinois Secretary of State (SOS) data base, which was inquired on January 25, 2016@1138. The mileage provided to DOJ personnel on or about July 17, 2015 was that the Camaro had an odometer reading of 15960. As of January 25, 2016 the Camaro has an odometer reading of 16364. With the deduction of the original mileage at the time of purchase (per SOS data) until July 7, 2015, the Camaro had 15809 miles of use from June 2013-July 2015. A further review of department files on the Camaro revealed that that the odometer at the date of purchase by Willow Springs was 15129 (described as a 4 Door, which is not possible). From the dealer documentation until July 17, 2015, the Camaro was driven 831 miles.

The characterization of the Camaro as a "pursuit" vehicle is not correct. The Camaro is primarily an unmarked traffic car, with some special use (covert operations) and not used for "pursuit" as those incidents are rare and restricted by Policy 314, specially 314.3.2 "Unmarked or other departmental vehicles, except for marked, semi-marked and motorcycle units, may not initiate a pursuit without the authorization of a supervisor

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unless there is an imminent threat to life or great bodily harm represented by the continued freedom of the suspect. An unmarked police vehicle has no distinctive identifiable marking but may have portable emergency warning lights".

The Camaro is a special use vehicle with limited equipment for traffic enforcement, special operations and has been used. The vehicle does enhance law enforcement operations and intend more future use with increased staffing levels.

Heavy Duty Truck - The truck in question is a 2013 Ford F250, Vehicle Identification Number (VIN) of 1FTBF2B69DEA30465 (hereafter referred to as truck). The truck did have limited mileage as noted (1,910 miles).

The truck is a special use vehicle for the relocation of Police equipment being the department Boat and trailer. The trailer is used for the transportation of Police department equipment and other equipment such as traffic control devised as needed by specific events or incidents.

Based on the volume of events and incidents the trucks use is limited. I compare this to the limited mileage of a command post vehicle due to its special and limited use.

The truck is a special use vehicle with limited equipment and does enhance law enforcement operations to transport needed equipment to incidents or events.

SUV's and Sedans- The following are the specific vehicles mentioned on page 12 of the draft audit report.

- 2013 Ford Expedition VIN # 1FMJK2A50DEF13614 (hereafter referred to as Expedition).
- 2013 Ford Explorer VIN # 1FM5K8F89DGB70040 (hereafter referred to as Explorer
- 2013 Ford Taurus VIN # 1FAHP2M85DG148514 (hereafter referred to as WS 1).
- 2013 Ford Taurus VIN # 1FAHP2M85DG148513 (hereafter referred to as WS 2).

The Expedition was purchased by/for former [REDACTED], who was assigned to the Drug Enforcement Administration (DEA) as a Task Force Officer. The Expedition was a special purpose vehicle for [REDACTED] with his DEA assignment. Due to unforeseen conduct and integrity issues, [REDACTED] was terminated in September of 2014; the Expedition was then used by former [REDACTED].

The Expedition is a special use vehicle with limited equipment and did enhance law enforcement operations. Currently The Willow Springs Police Department does not have anyone assigned to the DEA task force and not likely anytime in the future, and therefore not practical to maintain for general or special use. The Explorer was purchased for former Chief [REDACTED]. The disparity in price is based on the different explore models. The Explored in question is a civilian model that appears to be fully loaded with available options. The other explored (VIN # 1FM5K8AR8DG07964) that is \$13,000 less is a base patrol police package model. Information is not available to articulate what purpose(s) the explorer was intended for other than the primary use by Chief [REDACTED].

I do not have sufficient information to agree or disagree whether this expenditure was

or could be categorized as extravagant and would defer to the DOJ/AFMLS permissible spending for that time frame.

The Taurus sedans, WS1 and WS2 were purchased and driven by officers with a smaller stature and both vehicles were taken out of service due being driven at excessive speeds.

Officers of the Willow Springs Police Department have been negotiating a new contract prior to the expiration of the last contract, being April 30, 2014. Due to The Collective Bargaining Agreement under ARTICLE XVIII-MAINTENANCE OF STANDARDS - "The Employer shall be required to bargain collectively with regard to all matters directly affecting wages, hours and terms and conditions of employment of Employees in the bargaining unit". The ability to discipline officers for unnecessary excessive speeds (over 100mph) is limited due to lacking the ability to use GPS data. The liability and residual issues associated with allowing the officers to use these performance vehicles in this manner resulted in taking WS1 and WS2 out of service prior to taking office (January 12, 2015).

WS1 and WS2 are base model police squad cars. The vehicles are not designed to accommodate larger officers and thus limit who can operate. The vehicles are configured with barriers to separate officers for arrestees that severely limit the size of who can be placed in the rear passenger area. Due to the limited size of the rear passenger area, the likelihood of an arrestee sustaining an injury is substantially increased in addition to injury to the officer attempting to remove an uncooperative individual creates unnecessary risks.

Based on the higher performance capability of WS 1 and WS2 coupled with increased likelihood of injury to officers and civilians create unnecessary liability to the department. Based on the squad limitations and potential liability issues they are not practical to maintain in service.

Based on the aforementioned, I disagree that all purchases that made the \$116,572 was wasteful and unnecessary.

Yes, the record keeping of my predecessors was inadequate and the method (s) of evaluating purchases is not known. Currently a list of all items/equipment purchased with DOJ equitable sharing funds is being compiled.

The evaluation of purchases will be comprehensive and include a SWOT analysis where applicable. The overall procurement decisions will be evaluated from a quantitative and qualitative perspective to determine the department's needs.

6. Ensure the Willow Springs PD implements procedures for appropriately assessing the need to use equitable sharing funds to purchase items that will enhance the department's operations. These procedures should include a routine assessment of the use of equipment and timely action to dispose of items no longer needed.

Agree - The Willow Springs Police Department will implement procedures for appropriately assessing the need to use equitable sharing funds to purchase items that will enhance the department's operations. The procedures will include a routine assessment of the use of equipment and the timely action to dispose of items no longer needed annually.

7. Ensure that the Willow Springs PD maintains a listing of all capital assets, including those purchased with DOJ equitable sharing funds.

Agree - The Willow Springs Police Department will maintains a listing of all capital assets, including those purchased with DOJ equitable sharing funds.

8. Remedy the \$83,039 in DOJ equitable sharing funds used in conjunction with federal grant funds to purchase a boat that was not used to enhance law enforcement operations.

Response- Disagree

The Willow Springs Police Department obtained a Firehawk 26 vessel (hereafter referred to as "The Boat") through the 2009 Port Security Grant Program. The Boat did enhance law enforcement operations during its brief period of service. The Boat was found to be impractical to operate due to lack of training and manpower issues. The practicality of improving the Police Department through a presence on local waterways, and the cost-benefit, should have been assessed prior to applying for the Port Security Grant.

WSPD [REDACTED] prepared and submitted the grant application. The Boat was delivered in Early 2013. Grant documentation and communications were facilitated through a series of on-line submittal and through government and personal email addresses of [REDACTED]. A sample review of grant documentation shows the address of the Willow Springs Police Department to be located at the home address of [REDACTED] in a suburb 15-plus miles away. Further review of the grant show in late 2012 [REDACTED] learned he had submitted an application with required a 2S contribution, or "match," from the Village of Willow Springs.

With little advance notice of the application, cost or the arrival of The Boat, the Police Department did not have in place boat-specific training and use policies or projected operational costs. The Village is in the process of reviewing and implementing specific grant application procedures for all departments.

The purpose of the grant was to provide the Police Department the ability to patrol and secure local inland waterways which house sensitive industrial tenants. The geography of the Village includes the passage of three waterways: the Des Plaines River, the Chicago Sanitary and Ship Canal, and the Cal-Sag Channel. Forfeiture funds were used to provide the 25 match in order to enhance the capabilities of the Police



Department and achieve that purpose.

Once The Boat arrived, the Police Department deployed officers to train on the operation of The Boat as well as learn protocol along the waterways. Police Chief [REDACTED] provided updates on training and operation at least one or more public Village Board meetings relating that officers used The Boat's water nozzle to extinguish a brush fire, discover an abandoned vehicle, and general training activities.

In fall of 2013, the Police Department began a search to find an appropriate agency better staffed and financially able to carry out the purpose of patrolling and securing inland waterways. The need for the patrol of the waterways still exists and is expected to increase in the future. In 2011, The Village annexed 100-plus acres along the Canal for additional light and heavy industrial uses. Patrol and emergency response along the waterways enhances safety and access for emergency responders. Since mid-2015 the Police Department has been negotiating the transfer of The Boat to one such agency. The goal of the Department is to complete the legal transfer of The Boat within months.

9. Remedy the \$3,783 in unallowable expenditures for the purchase of floatation vests by the Willow Springs Fire Department.

Agree - The purchase order should have been through the Police Department at the direction of the Police Chief.

10. Remedy the \$1,080 in training costs that were not supported by adequate documentation.

Agree - The basis of the agreement is not having a training certificate of completion or attendance. The officer(s) were questioned and advised that one was not provided.

11. Remedy the \$3,839 in travel costs that were not supported by adequate documentation of the law enforcement training completed.

Agree - The basis of the agreement is not having a training certificate of completion or attendance. The officer(s) were questioned and advised that one was not provided related to documented travel expenses.

12. Remedy the \$1,827 in unallowable expenditures for the reimbursement of travel-related expenditures in excess of authorized per diem rates.

Agree - The basis of the agreement is not having a training certificate of completion or attendance related to the travel. The officer(s) were questioned and advised that one was not provided related to documented travel expenses.

The Village is in the process of preparing a standard policy outlining limitations for travel-related expenditures and per diem rates.

13. Remedy the \$2,135 in unallowable expenditures for the reimbursement of special cleaning services for the Willow Springs PD.

Agree - The Police Department budget includes a line item for cleaning and should have been charged accordingly.

14. Ensure that the Willow Springs PO, in conjunction with the Village of Willow Springs, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports.

Agree. The Village and Police Department are in the process of doing so.

15. Ensure that the Willow Springs PO, in conjunction with the Village of Willow Springs, reviews its equitable sharing expenditures per its accounting records and submits, if necessary, amended certification reports for FY2013 through FY2015 that accurately reflect expenditures incurred.

Agree. The Village and Police Department are in the process of doing so.

U.S. DEPARTMENT OF JUSTICE RESPONSE



U.S. Department of Justice

Criminal Division

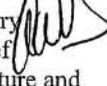
Asset Forfeiture and Money Laundering Section

Washington, D.C. 20530

March 22, 2016

**MEMORANDUM**

TO: Carol S. Taraszka  
Regional Audit Manager  
Chicago Regional Audit Office  
Office of the Inspector General

FROM: Alice W. Dery   
Deputy Chief  
Asset Forfeiture and  
Money Laundering Section

SUBJECT: DRAFT AUDIT REPORT - Audit of the Village of Willow Springs Police Department's (WSPD) Equitable Sharing Program Activities, Willow Springs, Illinois

In a memorandum dated January 15, 2016, your office summarized the status of the above referenced report and detailed the findings and actions necessary from the Asset Forfeiture and Money Laundering Section (AFMLS) to ensure prompt issuance of the final report.

AFMLS concurs with the findings and recommendations stated in the draft audit report. Pursuant to section VIII.A of the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Guide)* (2009), the use of equitable sharing funds are subject to the laws, rules, regulations, and orders of the state or local jurisdiction governing the use of public funds available for law enforcement purposes. Pursuant to Section IX.A.6 of the *Guide*, the agency head must authorize all expenditures from the federal sharing revenue account as long as the expenditures are permissible per the *Guide*.

Upon receipt of the final audit report, AFMLS will work with WSPD to ensure implementation of the recommendations and will require documentation verifying that the corrective actions have been taken. AFMLS will also request that WSPD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

cc: Denise Turcotte  
Audit Liaison  
Criminal Division

Carlos Uriarte  
Associate Deputy Attorney General

Richard P. Theis  
Assistant Director  
Audit Liaison Group  
Internal Revenue and Evaluation Office  
Justice Management Division

**OFFICE OF THE INSPECTOR GENERAL  
ANALYSIS AND SUMMARY OF ACTIONS  
NECESSARY TO CLOSE THE REPORT**

The Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Willow Springs Police Department (Willow Springs PD) and the U.S. Department of Justice Asset Forfeiture and Money Laundering Section (AFMLS). The Willow Springs PD's response is incorporated in Appendix 3 of this final report, and AFMLS's response is incorporated in Appendix 4. In response to our draft audit report, AFMLS concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

**Recommendation Number:**

- 1. Ensure that the Willow Springs PD, in coordination with the village of Willow Springs, establishes formal, written procedures for the administration of DOJ equitable sharing funds. These procedures should ensure that the Willow Springs PD timely and accurately accounts for all DOJ equitable sharing transactions, monitors its equitable sharing activities on a more routine basis, and maintains adequate records to support all equitable sharing activities. These procedures should also incorporate stronger internal controls over the DOJ equitable sharing bank account and the authorization and payment of expenses paid with equitable sharing funds.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that the village of Willow Springs reviewed its internal control procedures and established written procedures for all of its funds. The Willow Springs PD further stated that the village of Willow Springs will monitor and enhance the procedures as necessary.

This recommendation can be closed when we receive the formal, written procedures established by the village of Willow Springs that ensure appropriate administration of DOJ equitable sharing funds, including stronger internal controls over DOJ equitable sharing activities.

**2. Put to better use the \$466,576 in equitable sharing funds that have been held for more than 3 years.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that it acknowledged holding DOJ equitable sharing funds for more than 3 years. The Willow Springs PD said that it had planned to use these funds for capital improvements, but those capital improvements were placed on hold due to state legislation.

This recommendation can be closed when we receive evidence that the \$466,576 in equitable sharing funds that have been held for more than 3 years have been put to better use.

**3. Remedy the \$151,672 in overtime expenditures not supported by adequate documentation.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

The Willow Springs PD concurred with our recommendation and stated in its response that while in certain instances the documentation to support the overtime charges was inadequate, all billed overtime hours were worked. The Willow Springs PD also said that it implemented new procedures to better document and supervise overtime.

This recommendation can be closed when we receive evidence that the \$151,672 in questioned costs have been appropriately remedied.

**4. Ensure that the Willow Springs PD evaluates the new timekeeping procedures to ensure that overtime costs are properly supported and authorized.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that it implemented a policy (effective April 2015) and a general order (effective October 2015) related to this audit finding. Moreover, the Willow Springs PD said that the Police Chief's office performs a secondary review of all overtime.

This recommendation can be closed when we receive copies of the new policy and order, as well as evidence that overtime hours worked are undergoing a secondary review.

**5. Remedy the \$116,572 in questioned costs related to the purchase of vehicles that were minimally used and, therefore, did not enhance law enforcement operations.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

In summary, the Willow Springs PD's detailed response to this recommendation indicated disagreement with our recommendation and stated it believes the vehicle purchases enhanced its law enforcement operations. While the Willow Springs PD acknowledges that some vehicles were used only minimally and that the current administration did not know why certain purchases were made, the response from the Willow Springs PD asserts that the use of the vehicles may increase in the future as staffing is increased.

Regarding the motorcycles cited in our report, the Willow Springs PD said that their use is limited to special events and other factors such as weather, resulting, therefore, in the limited mileage. The Willow Springs PD also stated that personnel must be properly trained prior to using the motorcycles and noted that only the Police Chief had the appropriate training to use the motorcycles. Further, the Willow Springs PD said that it did not have sufficient documentation to comment on whether the \$23,562 spent on motorcycle accessories was necessary. While we acknowledge the motorcycles will have somewhat limited mileage given their specialized nature, we believe the purchase of these motorcycles (including the accessories) was unnecessary given the low mileage and lack of officers who are properly trained to ride them. Our concerns are further heightened by the Willow Springs PD having two additional motorcycles that we observed while on-site, which we believe is an example of the Willow Springs PD not applying a rigorous and judicious procurement decision-making process. Therefore, we do not believe the purchase of two new motorcycles was necessary to enhance the Willow Springs PD's law enforcement operations.

Regarding the sports car, the Willow Springs PD said that the supporting documentation for the purchase of the sports car incorrectly reflected the

mileage on the vehicle.<sup>20</sup> The Willow Springs PD said that it checked a state database that indicated the odometer reading was 151 miles at the time of purchase in June 2013, and therefore, the Willow Springs PD put almost 16,000 miles on the vehicle by July 2015. The Willow Springs PD did not give us this documentation during the audit. Instead, we questioned this purchase based upon the supporting documentation provided by the Willow Springs PD during the audit. This documentation (the sales invoice) showed the vehicle had 15,129 miles on the odometer at the time of purchase; therefore, we calculated that the Willow Springs PD had only put 831 miles on the vehicle over 2 years and questioned the funds expended as wasteful and unnecessary.

In response to the heavy-duty truck, the Willow Springs PD said that the truck was used for hauling the boat or trailer containing police equipment. The Willow Springs PD acknowledged that this truck is used infrequently, but the Willow Springs PD compared the truck to a command post vehicle that serves a special purpose even though it may be used minimally. While we do not take exception to purchasing a vehicle with a special purpose and, thus, its limited use, we believe the purchase of this heavy-duty truck for these specific purposes was unnecessary and is another example of the Willow Springs PD not applying a rigorous and judicious procurement decision-making process. Based upon its vehicle fleet, the Willow Springs PD has other vehicles capable of hauling its police equipment except for the boat. However, we do not believe the boat was a necessary purchase as further discussed under Recommendation 8. Therefore, we do not believe the heavy-duty truck was necessary to enhance the Willow Springs PD's law enforcement operations.

The Willow Springs PD also individually addressed four vehicles, two SUVs and two sedans, which are cited in our report. The Willow Springs PD provided explanations for those vehicles, including one vehicle used by an officer assigned to a drug task force who was terminated due to conduct and integrity issues. Another was purchased at a price that was \$13,000 more than another vehicle of the same model purchased a few months after, for which the Willow Springs PD stated it did not have additional justification other than its use by the former Police Chief. The Willow Springs PD also explained that two sedans we observed were not being used because the size of the cars limited who could operate them and created a liability for the Willow Springs PD. As discussed in our report, we are concerned that the Willow Springs PD used federal funds to purchase vehicles that, some 1-2 years after purchase, it had taken out of service. While we believe this is another example of the Willow Spring PD's poor asset procurement planning, we did not include the SUVs and sedans in our questioned costs.

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<sup>20</sup> In its response, the Willow Springs PD said that characterizing the sports car as a pursuit vehicle is inaccurate. However, that was the description provided by the Police Chief during the audit.



This recommendation can be closed when we receive evidence that the \$116,572 in questioned costs have been appropriately remedied.

6. **Ensure the Willow Springs PD implements procedures for appropriately assessing the need to use equitable sharing funds to purchase items that will enhance the department's operations. These procedures should include a routine assessment of the use of equipment and timely action to dispose of items no longer needed.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that it will implement procedures to appropriately assess the need to use equitable sharing funds to purchase items that will enhance the department's operations. The Willow Springs PD said that these procedures will include a routine assessment of the use of the equipment and the timely disposal of items no longer needed.

This recommendation can be closed when we receive the written procedures, once finalized and appropriately distributed, to ensure that the Willow Springs PD appropriately assesses the need to use equitable sharing funds to purchase items that will enhance its operations.

7. **Ensure that the Willow Springs PD maintains a listing of all capital assets, including those purchased with DOJ equitable sharing funds.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that it will maintain a listing of all capital assets, including those purchased with DOJ equitable sharing funds.

This recommendation can be closed when we receive evidence that the Willow Springs PD maintains a listing of all capital assets, including those purchased with DOJ equitable sharing funds.

8. **Remedy the \$83,039 in DOJ equitable sharing funds used in conjunction with federal grant funds to purchase a boat that was not used to enhance law enforcement operations.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow

Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

The Willow Springs PD did not concur with our recommendation and stated in its response that it believes using DOJ equitable sharing funds to purchase the boat enhanced its law enforcement operations. The Willow Springs PD stated that the former Police Chief informed the village of Willow Springs Board, on various occasions, about the police officers' use of the boat. While we acknowledge a boat could enhance the Willow Springs PD's operations, we are concerned with the lack of support to substantiate the use of the boat, as well as the circumstances surrounding the purchase of the boat. During the audit, we were told that the boat had been used two to three times. Despite these assertions, a usage log was not maintained, and no one could provide specific details regarding the use of the boat. In addition, as noted in its response, the Willow Springs PD appears to raise concerns over its actions in applying for the grant to purchase the boat; stating that an assessment of the practicality of improving the Willow Springs PD and a cost-benefit analysis should have been completed prior to applying for the grant.<sup>21</sup> Moreover, according to its response, the Willow Springs PD stated that an officer applied for the grant unbeknownst to the Willow Springs PD administration.<sup>22</sup> The Willow Springs PD stated that as a result it did not have in place boat-specific training, boat usage policies, or projected operational costs of the boat. Given these circumstances, we maintain that it was not prudent to use DOJ equitable sharing funds for an item the Police Chief did not authorize, and for an item that the Willow Springs PD deemed to be impractical to operate.

This recommendation can be closed when we receive evidence that the \$83,039 in questioned costs have been appropriately remedied.

**9. Remedy the \$3,783 in unallowable expenditures for the purchase of floatation vests by the Willow Springs Fire Department.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

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<sup>21</sup> The Willow Springs PD obtained a Department of Homeland Security (DHS) grant to purchase the boat. The Willow Springs PD also used equitable sharing funds to pay for the remaining costs of the boat not covered by the DHS grant.

<sup>22</sup> As disclosed in the Willow Springs PD's response, this was the same officer who was terminated due to conduct and integrity issues.

The Willow Springs PD concurred with our recommendation and stated in its response that the Willow Springs PD, at the direction of the Police Chief, should have purchased the floatation vests.

This recommendation can be closed when we receive evidence that the \$3,783 in questioned costs have been appropriately remedied.

**10. Remedy the \$1,080 in training costs that were not supported by adequate documentation.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

The Willow Springs PD concurred with our recommendation and stated in its response that the officer(s) advised that a certificate of completion (to support attendance at the training event) was not provided.

This recommendation can be closed when we receive evidence that the \$1,080 in questioned costs have been appropriately remedied.

**11. Remedy the \$3,839 in travel costs that were not supported by adequate documentation of the law enforcement training completed.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

The Willow Springs PD AFMLS concurred with our recommendation and stated in its response that the officer(s) advised that a certificate of completion (to support attendance at the training event) was not provided.

This recommendation can be closed when we receive evidence that the \$3,839 in questioned costs have been appropriately remedied.

**12. Remedy the \$1,827 in unallowable expenditures for the reimbursement of travel-related expenditures in excess of authorized per diem rates.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

The Willow Springs PD concurred with our recommendation and stated in its response that the village of Willow Springs is developing a policy related to the reimbursement of travel costs.

This recommendation can be closed when we receive evidence that the \$1,827 in questioned costs have been appropriately remedied.

**13. Remedy the \$2,135 in unallowable expenditures for the reimbursement of special cleaning services for the Willow Springs PD.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation and will request that the Willow Springs PD reimburse its equitable sharing account for any unallowable and unsupported expenditures.

The Willow Springs PD concurred with our recommendation and stated in its response that its budget includes a line item for cleaning, and that this expenditure should have been charged to that line item.

This recommendation can be closed when we receive evidence that the \$2,135 in questioned costs have been appropriately remedied.

**14. Ensure that the Willow Springs PD, in conjunction with the village of Willow Springs, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that the Willow Springs PD and village of Willow Springs are in the process of establishing procedures for the timely submission of accurate and complete certification reports.

This recommendation can be closed when we receive the written procedures, once finalized and appropriately distributed, to ensure that the Willow Springs PD submits accurate and complete Equitable Sharing Agreement and Certification Reports in a timely manner.

**15. Ensure that the Willow Springs PD, in conjunction with the village of Willow Springs, reviews its equitable sharing expenditures per its accounting records and submits, if necessary, amended certification reports for FY 2013 through FY 2015 that accurately reflect expenditures incurred.**

Resolved. AFMLS concurred with our recommendation. AFMLS stated in its response that it will coordinate with the Willow Springs PD to ensure implementation of this recommendation.

The Willow Springs PD concurred with our recommendation and stated in its response that the Willow Springs PD and village of Willow Springs are in the process of reviewing its equitable sharing expenditures and submitting, if necessary, amended certification reports.

This recommendation can be closed when we receive evidence that the Willow Springs PD, in conjunction with the village of Willow Springs, has reviewed its equitable sharing expenditures per its accounting records and submits, if necessary, amended certification reports for FY 2013 through FY 2015 that accurately reflect expenditures incurred.

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