



# **CITY OF SAN ANTONIO**

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SAN ANTONIO TEXAS 78283-3966

June 14, 2018

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Mayor

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Councilman, District 8

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Councilman, District 9

**Clayton H. Perry**  
Councilman, District 10

SUBJECT: Audit Report of San Antonio Police Department Confidential Informant and Crime Stoppers Funds

Mayor and Council Members:

We are pleased to send you the final report of the San Antonio Police Department Confidential Informant and Crime Stoppers Funds. This audit began in December 2017 and concluded with an exit meeting with department management in May 2018. Management's verbatim response is included in Appendix B of the report. The San Antonio Police Department management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kevin W. Barthold".

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
City of San Antonio

Distribution:

Sheryl L. Sculley, City Manager

Erik Walsh, Deputy City Manager

Ben Gorzell, Chief Financial Officer

William McManus, Chief of Police

Andrew Segovia, City Attorney

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Trey Jacobson, Chief of Staff, Office of the Mayor

John Peterek, Assistant to the City Manager, Office of the City Manager

Priscilla Soto, Audit Committee Member

Judy Treviño, Audit Committee Member

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# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of San Antonio Police Department  
Confidential Informant and Crime Stoppers Reward Funds

Project No. AU18-020

June 14, 2018

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor

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## Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Police Department (SAPD), specifically the Confidential Informant and Crime Stoppers Rewards Funds. The audit objective and conclusions follow:

### **Determine if SAPD funds used for the Confidential Informant program and Crime Stoppers rewards programs are properly managed.**

The San Antonio Police Department has established procedures and controls to ensure confidential informant program funds are properly managed. Each cash custodian assigned funds maintains a general ledger book with supporting documentation for each transaction. Furthermore, monthly reviews of the ledger books are conducted by Lieutenants and quarterly cash audits are conducted by Fiscal.

No recommendations were made for this audit and no management responses are required. Management's acknowledgement of these results is in Appendix B on page 5.

### **Other Matters**

During the audit, it was determined that Crime Stoppers reward funds are not controlled by the City. Crime Stoppers San Antonio tracks and disburses their funds which are funded by private donations and fund raising. In addition, the information received from tips is owned and managed by Crime Stoppers San Antonio. While we gathered information on these processes, we did not conduct any further testing.

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## Background

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The mission of the San Antonio Police Department (SAPD) is to improve the quality of life by creating a safe environment in partnership with the people they serve. To achieve this mission, SAPD performs covert operations, which may include the utilization of confidential informants to obtain necessary information to solve criminal cases.

Covert units require quick access to cash in order to pay confidential informants for information, purchase services during undercover surveillances, or purchase evidence (i.e. drugs, counterfeit goods, etc.). There are 18 SAPD Covert Operations Unit Supervisors assigned as cash custodians who are charged with maintaining and issuing funds to detectives to conduct covert operations or pay confidential informants.

Separate from SAPD is Crime Stoppers San Antonio which began in 1982 and operates as an independent organization, providing a method for law enforcement to receive information on crimes through anonymous tips. In Texas, Crime Stoppers is overseen by the Texas Governor's Office and Texas Crime Stoppers Council.

The Crime Stoppers call center is manned by 3 SAPD officers who review tips received via phone call, the Crime Stoppers website tip submission form, or through voice recording. Once the tip is reviewed, it is sent to the appropriate investigative unit for further action. If the tip results in an arrest, the anonymous tipster may be eligible for a reward. Rewards are reviewed and approved by the local Crime Stoppers Board. Crime Stoppers is funded by private donations and fund raising and does not utilize tax dollars to pay rewards.

## Audit Scope and Methodology

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Our audit scope was from October 1, 2017 through March 31, 2018.

To establish our test criteria, we reviewed City Administrative Directives and department standard operation procedures. To gain an understanding of the internal controls related to securing and maintaining monetary funds, we interviewed key personnel from the San Antonio Police Department's Vice, High Intensity Drug Trafficking Area (HIDTA), Repeat Offenders Program (ROP), and Narcotics units.

In addition, we randomly selected fund expenditures from each unit to review cash ledger books, receipts for funds and expenditures, case files, and verified that evidence seized was deposited timely into the Property and Evidence room.

We also reviewed supporting documentation for funds utilized to conduct confidential informant payments, along with covert operations such as narcotic buys and undercover stings. We observed quarterly cash audits performed by Fiscal and conducted cash counts of selected Covert Operations funds. Finally, we verified cash handling training for the 18 cash custodians within the Vice, HIDTA, ROP, and Narcotics units.

We relied on computer-processed data in the Records Management System<sup>1</sup> (RMS) to validate the offense information as it related to covert operations transactions. We also relied on computer-processed data in the FileOnQ<sup>2</sup> inventory management system to trace evidence seized during covert operations to the Property and Evidence Room. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included reviewing the data to validate the accuracy and completeness of information of confidential informant payments and covert operations. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>1</sup> RMS is an application that serves as SAPD's "system of record" for criminal activity.

<sup>2</sup> FileOnQ is the inventory management system utilized by the Property and Evidence Room for evidence and property items submitted during the intake process.

## Audit Results and Recommendations

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### A. Confidential Informant and Covert Operations Funds

San Antonio Police Department has effective monitoring processes to ensure confidential informant (CI) and covert operations funds are properly managed.

We reviewed the petty cash ledger books from Vice, HIDTA, ROP, and Narcotics units and selected 23 transactions from FY18 to include CI payments, narcotics buys, and covert operations. We verified funds were utilized appropriately and properly managed with adequate support documentation on file. Specifically, we reviewed:

- Receipt for Funds/Expenditures, CI files, and offense reports.
- Funds paid to confidential informants to verify the authorization and accuracy based on the information provided by the CI and the CI Pay Schedule.
- Traced evidence seized to the Property and Evidence room and validated the payments to CI's and funds used for narcotics buys.

We also observed 3 quarterly audits of cash funds performed by Fiscal and we conducted cash counts on 5 additional cash funds. We reconciled cash on hand and outstanding transactions and determined petty cash ledger books were accurate and funds were being appropriately managed. In addition, for the 8 accounts, we observed evidence within petty cash ledger books that monthly reviews were being conducted by Lieutenants. Finally, we observed that funds are being kept in locked file cabinets or safes in which the cash custodians retained keys or codes.

Lastly, we verified that all 18 cash custodians within Vice, HIDTA, ROP and Narcotics attended Cash Handling training, as required by the City's Administrative Directive 8.1 Cash Handling.

### Recommendations

None

## **Appendix A – Staff Acknowledgement**

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Gabe Trevino, CISA, Audit Manager

Amy Barnes, CFE, CGAP, Auditor in Charge

## Appendix B – Management Response



### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

May 31, 2018

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
San Antonio, Texas

RE: Management's Acknowledgement of its Review of San Antonio Police Department Confidential Informant and Crime Stoppers Funds

San Antonio Police Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

San Antonio Police Department:

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

William McManus  
Chief of Police  
San Antonio Police Department

JUN - 1 2018

Date

Erik Walsh  
Deputy City Manager  
City Manager's Office

Date

6/4/18