

ASSET FORFEITURE PRIOR YEARS CORRECTIONS

Asset forfeiture funds account for funds obtained from seized assets of criminal activities and are kept in a separate fund. The funds are used solely to support law enforcement purposes. It was brought to the City's attention in March of this fiscal year that in fiscal years 2016-2018, funds were misappropriated to fund the task force officer's salary and benefits, including overhead costs. Staff immediately investigated the matter and found that irregular transfers were made between Asset Forfeiture and the General Fund from 2010 – 2018. The City Attorney concurred that using Asset Forfeiture Funds to reimburse the General Fund for personnel expenditures was incorrect.

Here is a summary of CA Health & Safety §11489 & §11469 govern the disposition of these funds:

- Funding must be used to support law enforcement efforts (HS § 11489(d))
- **Funding shall not be used to replace or supplant local resources (HS § 11489(d))**
- **No sworn law enforcement officer's employment or salary shall be made dependent upon the level of forfeitures (HS § 11469(b))**
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits (HS § 11469(h))
- Seizing agencies shall implement training for officers assigned to forfeiture programs, which training should be ongoing (HS § 11469(e)).
- Funds shall be used "for the sole purpose of [supporting] programs designed to combat drug abuse and divert gang activity" (HS § 11489(b)).
- Funding "shall, wherever possible, involve educators, parents, community-based organizations and local businesses, and uniformed law enforcement officers" (HS § 11489(b)).
- Programs must cause the development and continuation of positive intervention programs for high-risk elementary and secondary-age students (HS § 11489(b)).

Below is the list of transfers made in FY 2010-2018 from the Asset Forfeiture Funds to the General Fund for the Task Force & K9 Officer Costs, **amounting to \$551,224.21**:

Staff recommends transferring \$551,224.21 from the General Fund Unassigned Reserves to the Asset Forfeiture Fund – General to correct the prior year's misappropriations and make it right. If approved, the projected Unassigned General Fund Reserve balance would be reduced from \$1.6 million to \$1.05 million. The Asset Forfeiture balance would increase from \$344,496 to \$895,720.

TASK FORCE & K9 OFFICER COSTS	
FISCAL YEAR	COSTS
FY 10/11	\$ 25,000
FY 11/12	\$ 19,729
FY 12/13	-
FY 13/14	\$ 60,000
FY 14/15	\$ 99,298
FY 15/16	\$ 125,000
FY 16/17	\$ 130,460
FY 17/18	\$ 91,737
FY 18/19	-
Total	\$ 551,224.21