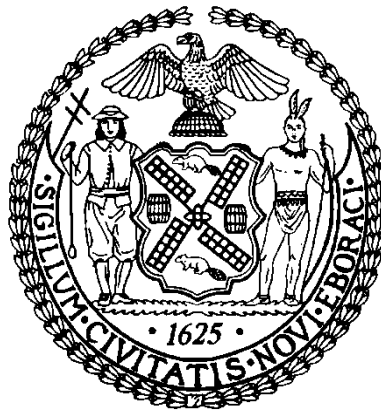


**CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER**

**John C. Liu  
COMPTROLLER**

**MANAGEMENT AUDIT**

**H. Tina Kim  
Deputy Comptroller for Audit**



**Audit Report on the  
Cash and Firearm Custody  
Controls of the Brooklyn Property Clerk  
Division of the Police Department**

*MH10-058A*

**January 19, 2011**



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

John C. Liu  
COMPTROLLER

January 19, 2011

**To the Residents of the City of New York:**

My office has audited the cash and firearm custody controls of the Brooklyn Property Clerk Division (Brooklyn Division) of the New York City Police Department (NYPD). We conduct these audits as a means of ensuring that City agencies are operating in an efficient manner and are properly accountable for their activities.

The NYPD's controls over the acceptance, safeguarding, and disposition of firearms and cash by the Brooklyn Division are generally adequate. The audit found that all but one of the sampled firearms reported to be in a safe or at the Property Clerk Division's warehouse were immediately accounted for. Nevertheless, the audit identified some areas where improvement is warranted. Findings included the following: data in the Firearm Safe Logbooks was incomplete and inaccurate; failure to reconcile the number of firearms recorded on Property Clerk's Delivery Receipts with the number recorded on invoices resulted in the NYPD being unable to initially account for a sampled firearm; inconsistent reporting of the number of firearms and cash invoices accepted; and firearm data recorded on invoices was not always verified for accuracy and completeness upon intake.

The audit made 12 recommendations, including that NYPD: ensures that procedures for recording the receipt of actual firearms in the Firearm Safe Logbooks are followed; reconciles the number of firearms recorded on Property Clerk's Delivery Receipts and invoices before returning firearms to the originating commands; ensures that officials responsible for the preparation and review of internal statistics regarding the firearms and cash invoices attest that the data is adequately supported, accurate, and complete; and ensures that procedures include instructions for handling discrepancies between firearm data recorded on invoices and data obtained from clerks' observations of the firearms.

The results of the audit have been discussed with NYPD officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

If you have any questions concerning this report, please e-mail my audit bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

A handwritten signature in black ink that reads "J.C.L." with a stylized flourish at the end.

John C. Liu

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*The City of New York*  
*Office of the Comptroller*  
*Bureau of Management Audit*

**Audit Report on the  
Cash and Firearm Custody  
Controls of the Brooklyn Property Clerk  
Division of the Police Department**

**MH10-058A**

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**AUDIT REPORT IN BRIEF**

This audit determined whether the New York City Police Department (NYPD) has adequate controls over the acceptance, cataloging, safeguarding, and disposition of firearms and cash by the Brooklyn Property Clerk Division (Brooklyn Division).

The Brooklyn Division has two Intake areas to receive firearms and cash, one for Police Officers from any one of the 30 commands in Brooklyn who turn in cash as arrest or investigatory evidence or firearms for safekeeping, and one for Police Officers from the Police Laboratory who turn in firearms as evidence. The property is kept in safes according to storage numbers—cash as evidence is secured in the Cash Safe; handguns for safekeeping only are secured in the Handgun Safe; and handguns as evidence as well as shoulder weapons as evidence or for safekeeping are secured in the Arrest Safe.

A Cash Safe Logbook and Firearm Safe Logbook are maintained to record information about the cash and firearms. In addition, cash received for safekeeping is deposited by the respective command at a bank in a Property Clerk Holding Account. The cash placed in the safe and the cash deposited in the bank are both recorded in a Cash Ledger.

According to the Property Clerk Division Borough Monthly Activity Recap, the Brooklyn Division reported that during Fiscal Year 2009, it received 1,684 firearms. According to the Cash Ledger for Fiscal Year 2009, the Brooklyn Division reported that it received \$5.2 million in cash.

**Audit Findings and Conclusions**

The NYPD controls over the acceptance, safeguarding, and disposition of firearms and cash by the Brooklyn Division are generally adequate, but weaknesses exist in its cataloging of the firearms and cash received. We found that all but one of the sampled firearms reported to be in a safe or at the Property Clerk Division's warehouse were immediately accounted for and that there was adequate documentation (i.e., Charge-Out Cards, fingerprinting, and Property Clerk's Delivery Receipts) to support firearms that were either signed-out (such as for presentation at

Criminal Court) or were returned to their rightful owners. In addition, the Handgun, Arrest, and Cash Safes were locked at all times and were entered only by authorized personnel. Furthermore, all of the cash selected in our samples was adequately accounted for and handled in accordance with NYPD procedures. Also, the disbursements were properly authorized and adequately supported in the hard-copy files.

Nevertheless, we identified some areas where improvement is warranted. Findings included the following: data in the Firearm Safe Logbooks was incomplete and inaccurate; failure to reconcile the number of firearms recorded on Property Clerk's Delivery Receipts with the number recorded on invoices, resulting in the NYPD being unable to initially account for a sampled firearm; the number of firearms and cash invoices accepted was inconsistently reported; firearm data recorded on invoices was not always verified for accuracy and completeness upon intake; and some of the firearms held for safekeeping were not destroyed after one year as required.

### **Audit Recommendations**

Based on our findings, we make 12 recommendations, including that NYPD:

- Ensures that Brooklyn Division officials follow procedures outlined in the Property Clerk Division's *Property Guide* with regard to recording the receipt of actual firearms in the Firearm Safe Logbooks.
- Ensures that the Brooklyn Division documents that the number of firearms recorded on the Property Clerk's Delivery Receipts reconciles with the number recorded on the supporting invoices before firearms are returned to the originating commands.
- Ensures that officials responsible for the preparation and review of internal statistics regarding the number of firearms and cash invoices received by the Brooklyn Division attest that the data is adequately supported and has been reviewed for accuracy and completeness.
- Includes instructions in the *Property Guide* on handling discrepancies between firearm data contained in the invoices and data obtained from the Intake clerks' observations of the firearms.
- Follows the procedures governing the destruction of safekeeping firearms after the allotted time of one year, as required by New York State Penal Law.

### **Agency Response**

In their response, NYPD officials stated that four recommendations needed further analysis and evaluation. Officials generally agreed in principle with the remaining eight recommendations, but claimed that four of them were "unnecessary" because their implementation "was planned or existed independent of the audit."

# INTRODUCTION

## Background

As mandated by the New York City Administrative Code §14-140, the Property Clerk Division of the New York City Police Department (NYPD) accepts, catalogs, safeguards, and manages the disposition of all property coming into the custody of the NYPD. Property received includes cash, jewelry, narcotics, firearms, and general property of every description, which is separated into various categories depending on its nature. Categories include the following: arrest evidence, investigatory evidence, forfeiture property, decedents' property, found property, and property requiring safekeeping. The NYPD has established five offices, one for each borough, responsible for accepting and storing property.<sup>1</sup> This audit focuses on the Brooklyn Property Clerk Division (Brooklyn Division) and its controls over two types of property: firearms and cash—both susceptible to theft and, in the case of the firearms, representing a matter of public safety.

The Brooklyn Division consists of approximately 20 employees, including Police Officers and civilians. Firearms include handguns and shoulder weapons such as rifles and shotguns. Firearms can either be received for safekeeping (obtained from a licensee whose permit has expired, from a retired Police Officer, or from a Police Officer going on leave for an extended period of time) or as arrest or investigatory evidence.

The Brooklyn Division has two Intake areas to receive firearms and cash, one for Police Officers from any one of the 30 commands in Brooklyn (e.g., precincts, transit districts) who turn in cash as evidence or firearms for safekeeping, and one for Police Officers from the Police Laboratory who turn in firearms as evidence.

The Brooklyn Division does not maintain an electronic database of the property in its custody; instead, its control systems are entirely manual.<sup>2</sup> When received, all property is accompanied by a Property Clerk Invoice (invoice)—including only the original white copy and yellow working carbon copy—and a Property Transfer Receipt (receipt) that is prepared by the respective commands prior to the delivery of property to the Brooklyn Division.<sup>3</sup> Each invoice includes invoice date, invoice number, owner or finder of the property, description of the property, quantity of the property, serial number of the property (if applicable), and a description of why the property was taken into custody. Each receipt contains a listing of all invoices submitted by a command on a particular day.

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<sup>1</sup>The acceptance and storage of automobiles as property is not handled by any of the five borough offices within the Property Clerk Division, but is handled by the Property Clerk Division's Auto Pounds Unit.

<sup>2</sup>NYPD officials stated that they are in the process of transforming from recording data manually to computerization of the data and, as a result, there will be changes. The NYPD has entered into a seven-year \$25.6 million contract consisting of four phases that began on April 6, 2009, and ends on April 5, 2016, to furnish the NYPD with a Property and Evidence Tracking System (PETS).

<sup>3</sup>Commands are responsible for preparing a five-part invoice—the original white copy, the yellow working carbon copy, the arresting officer's blue carbon copy, the finder's/prisoner's receipt pink carbon copy, and the evidence release/investigation green carbon copy. Only the white and yellow copies are delivered to the Brooklyn Division.

Once property is delivered to the Brooklyn Division, the clerks at the respective Intake areas verify that the property matches the associated information on the invoice. In addition, the clerks assign a storage number to the property, write the storage number on the invoice, date stamp and initial the invoice, perforate any bills (cash) received with the invoice number, and stamp the invoice “Perforation Witnessed By” adding the signature and shield number of the delivering Police Officer. The storage and invoice numbers are then written on the envelope containing the property.<sup>4</sup> In addition, the white copies of the invoices are filed by storage number in binders, and the yellow copies are filed by invoice number in filing cabinets at the Brooklyn Division.

The property is kept in safes according to the storage numbers—cash as evidence is secured in one safe (Cash Safe); handguns for safekeeping only are secured in a second safe (Handgun Safe); and handguns as evidence as well as shoulder weapons as evidence or for safekeeping are secured in a third safe (Arrest Safe). A Storage Plan is required to be prepared and maintained for review, including the identification of the primary and secondary areas for the storage of valuable and sensitive property and a listing of all personnel assigned indicating those who have access to sensitive or security areas.

A Cash Safe Logbook and Firearm Safe Logbook are maintained to record information about the cash and firearms placed in the safes, including storage numbers, dollar amount of cash, number of firearms, date property is received, and date property is returned. In addition, cash received for safekeeping is deposited by the respective command at a bank in a Property Clerk Holding Account. The cash placed in the safe and the cash deposited in the bank are both recorded in a Cash Ledger.

Whenever property is signed out (such as for presentation at Criminal Court) or is returned to its rightful owner, the receiving party must first show appropriate documentation that includes an invoice, district attorney’s release for arrest evidence (if applicable), and proper identification, such as a driver’s license, passport, or a Police Officer’s shield. For property signed out, the receiving person’s fingerprints must also be taken. If the owner sends another person to pick up the property, the owner must provide a notarized letter authorizing that person to act on the owner’s behalf. Firearms that the Brooklyn Division has determined can be destroyed are forwarded to the Property Clerk Division’s warehouse in Long Island City for destruction.

According to the Property Clerk Division Borough Monthly Activity Recap (Monthly Activity Recap), the Brooklyn Division reported that during Fiscal Year 2009 it received 1,684 firearms, forwarded 1,483 firearms to the warehouse for destruction, and returned 733 firearms to owners. Furthermore, according to the Cash Ledger for Fiscal Year 2009, the Brooklyn Division reported that it received \$5.2 million in cash—cash for safekeeping totaled \$1.1 million and cash as evidence totaled \$4.1 million.

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<sup>4</sup>Shoulder weapons associated with safekeeping and evidence cannot be placed in envelopes due to their size. However, the storage and invoice numbers are written on paper and taped to the property.

## **Objective**

The objective of this audit was to determine whether the NYPD has adequate controls over the acceptance, cataloging, safeguarding, and disposition of firearms and cash by the Brooklyn Division.

## **Scope and Methodology**

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient and 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. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the City Charter.

The audit scope period was January 2003 through July 2010.

To obtain an understanding of the responsibilities, goals, and regulations governing the Brooklyn Division with respect to the acceptance, cataloging, safeguarding, and disposition of firearms and cash, we reviewed and used as audit criteria:

- §14-140 of the New York City Administrative Code (regarding the Property Clerk),
- Title 38 of the Rules of the City of New York (regarding the Police Department),
- §265.20 and §400.05 of the New York State Penal Law,
- Applicable sections of the NYPD's Property Clerk Division *Property Guide* pertaining to firearms and cash,
- Applicable sections of the NYPD's *Patrol Guide* pertaining to property, and
- Comptroller's Directive #1, "Principles of Internal Control," as well as the Agency Financial Integrity Statement and Checklist completed by the NYPD for calendar year 2008 required by Directive #1.

In addition, we reviewed a report issued by the Comptroller's Office in June 2008, entitled *Audit Report on the Cash and Firearm Custody Controls of the Manhattan Property Clerk Division of the Police Department*.

We interviewed NYPD officials, including the Commanding Officer of the Property Clerk Division; the Executive Officer of the Property Clerk Division; the two Sergeants in charge of supervising the Brooklyn Division; the Captain of the warehouse; and a Police Officer assigned to gun destruction processing at the warehouse. In addition, on several days we observed various individuals performing their duties at the Brooklyn Division, including Police Officers from various commands delivering property, Intake clerks, and the Police Officers assigned to safeguard the Handgun, Arrest, and Cash Safes.



## **Reliability of Firearm Data Recorded in Firearm Safe Logbooks**

At our request, the Brooklyn Division provided us with three Firearm Safe Logbooks reportedly containing a combined total of 2,044 storage numbers that were assigned to 2,729 firearms accepted at the respective Intake areas during Fiscal Year 2009.<sup>5</sup> To test the reliability of the data, we determined whether any numbers appeared more than once and whether there were any sequential gaps. We also determined whether the storage numbers were assigned in chronological order as the firearms were received.

We identified 679 sequential gaps of storage numbers in the Firearm Safe Logbooks. Based on our review of the associated invoices, we determined that there were 105 numbers assigned to actual firearms, 503 numbers assigned to simulated firearms (i.e., toy guns, imitation pistols, and BB guns), 69 numbers assigned to firearm-related evidence (i.e., ammunition, magazines, shell casings, and fired bullets), and 2 numbers that were not assigned to any type of property because the numbers were not used. We randomly selected 30 storage numbers each from both the 105 numbers for actual firearms and the 503 numbers for simulated firearms and asked that officials retrieve the associated properties in our presence to verify that the properties were correctly identified on the invoices.

To determine whether firearms recorded in the Firearm Safe Logbooks as being accepted during Fiscal Year 2009 and calendar years 2004–2008 were stored on the assigned shelves in the respective safes, we provided Brooklyn Division officials with 150 storage numbers and asked that they retrieve the 207 associated firearms in our presence. The storage numbers included 90 randomly selected from the 2,044 numbers recorded in the Fiscal Year 2009 Firearm Safe Logbooks and 60 judgmentally selected from the Firearm Safe Logbooks for calendar years 2004–2008.

To determine whether firearms stored on the shelves were recorded in the respective Firearm Safe Logbooks, we judgmentally selected 60 storage numbers from the shelves in the Handgun and Arrest Safes that were assigned to 88 firearms during calendar years 2004-2009 and traced the firearms back to the Firearm Safe Logbooks. Finally, we determined whether certain data recorded in the Firearm Safe Logbooks for each of the storage numbers matched data recorded in the Brooklyn Division's hard-copy files.

## **Verification of Firearm Data Recorded on Invoices**

We obtained the white copies of the invoices for the 270 sampled storage numbers (corresponding to 379 firearms) and attempted to compare firearm data recorded on the invoices to the firearm data obtained during our observations and noted any differences. In total, we compared firearm data for 273 firearms. The remaining 106 could not be observed: 34 firearms were packaged by the Police Laboratory in such a way that their identities were concealed, and 72 firearms either were signed out, returned to their rightful owners, or sent to the warehouse for destruction.

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<sup>5</sup>A storage number may be associated with more than one firearm.

For the firearms that were signed out, we determined (1) whether Charge-Out Cards replaced the firearms on the shelves, (2) whether the information recorded on the invoices, Evidence to Court-Laboratory Receipts, and Charge-Out Cards matched, and (3) whether proper identification (including fingerprinting) and release authorizations were presented prior to the firearms' removal. For the firearms that were returned to their owners, we determined whether the information recorded on the invoices and Property Clerk's Delivery Receipts matched and whether proper identification and release authorizations were shown by the owners prior to the firearms being returned. For the firearms that were sent to the warehouse, we determined whether the Brooklyn Division's hard-copy files associated with these firearms contained the required information. We also visited the warehouse and obtained evidence that the firearms had been received.

### **Timeliness for Disposing of Firearms Associated with Safekeeping**

To determine whether firearms for safekeeping were processed for destruction after the expiration of one year, as required, we randomly selected 50 (corresponding to 93 firearms) of 353 storage numbers of firearms accepted for safekeeping during calendar year 2008 or earlier that we had counted as still being in the safes, in custody. We calculated the amount of time the firearms remained in custody and determined whether there were adequate justifications for the firearms remaining beyond one year.

### **Reliability of Cash Data**

At our request, the Brooklyn Division provided us with the Cash Ledger for Fiscal Year 2009 reportedly containing \$5.2 million in cash as evidence as well as cash for safekeeping. We judgmentally selected the month of July 2008 because it contained the highest dollar value of cash properties (storage numbers) accepted totaling \$609,322 and entered all of the 1,032 properties into an Excel spreadsheet for reliability testing purposes.

We obtained the Cash Safe Logbook for July 2008 and compared the cash properties recorded to those that were recorded as evidence in the Cash Ledger. We also judgmentally selected from the Cash Ledger 25 of 373 undisbursed cash evidence properties with the highest dollar values, totaling \$26,413 and asked Brooklyn Division officials to retrieve the cash associated to verify that proper procedures (e.g., bills were perforated with the invoice numbers) were followed. In addition, we judgmentally selected from the Cash Ledger 25 of the 229 undisbursed cash for safekeeping properties with the highest dollar values, totaling \$57,979 and verified that amounts reconciled with hard-copy files. Finally, we judgmentally selected from the Cash Safe 25 cash properties for the month of July 2008, totaling \$14,184, and verified that amounts reconciled with the Cash Ledger and the corresponding invoices and that the bills were properly perforated and stamped.

In addition, we obtained the stubs for the checks written in July 2008 and determined whether any check numbers appeared more than once, whether there were any sequential gaps, and whether the checks were written in chronological order. Next, we randomly selected 25 of the 320 checks totaling \$21,215 that were written for amounts of \$100 or more and determined whether these checks were properly authorized and adequately supported.

## **Reporting of Firearms and Cash Accepted by the Brooklyn Division**

We obtained supporting documentation (i.e., Firearm Safe Logbooks and the Cash Ledger) for the number of firearms and cash invoices accepted during Fiscal Year 2009 reported for internal purposes in the Monthly Activity Recap to determine whether the numbers reported were accurate.

The results of our various samples, while not projected to their respective populations, provided a reasonable basis for us to determine whether the NYPD has adequate controls over the acceptance, cataloging, safeguarding, and disposition of firearms and cash by the Brooklyn Division.

### **Discussion of Audit Results**

The matters covered in this report were discussed with NYPD officials during and at the conclusion of this audit. A preliminary draft report was sent to NYPD officials and was discussed at an exit conference held on September 21, 2010. On November 3, 2010, we submitted a draft report to NYPD officials with a request for comments. The audit makes 12 recommendations to the NYPD. We received a written response from NYPD officials on November 24, 2010. In their response, NYPD officials stated that four recommendations needed further analysis and evaluation. Officials generally agreed in principle with the remaining eight recommendations, but claimed that four of them were “unnecessary” because their implementation “was planned or existed independent of the audit.”

The full text of the NYPD response is included as an addendum to this report.

## FINDINGS AND RECOMMENDATIONS

The NYPD's controls over the acceptance, safeguarding, and disposition of firearms and cash by the Brooklyn Division are generally adequate, but weaknesses exist in its cataloging of the firearms and cash received. We found that all but one of the sampled firearms reported to be in a safe or at the warehouse were immediately accounted for. In addition, there was adequate documentation (i.e., Charge-Out Cards, fingerprinting, and Property Clerk's Delivery Receipts) to support firearms that were either signed-out (such as for presentation at Criminal Court) or were returned to their rightful owners, and the Handgun, Arrest, and Cash Safes were locked at all times and were entered only by authorized personnel. Furthermore, all of the cash selected in our samples was adequately accounted for and handled in accordance with NYPD procedures. Additionally, there were no duplicate check numbers or gaps in the sequential listing of checks issued, and the disbursements were properly authorized and adequately supported in the hard-copy files.

Nevertheless, we identified some areas where improvement is warranted. Findings included the following: data in the Firearm Safe Logbooks was incomplete and inaccurate; failure to reconcile the number of firearms recorded on Property Clerk's Delivery Receipts with the number recorded on invoices, resulting in the NYPD being unable to initially account for a sampled firearm; the number of firearms and cash invoices accepted was inconsistently reported; firearm data recorded on invoices was not always verified for accuracy and completeness upon intake; and some of the firearms held for safekeeping were not destroyed after one year as required.

All of the findings are discussed below in greater detail.

### **Incomplete and Inaccurate Data in the Firearm Safe Logbooks**

The Brooklyn Division does not maintain complete and accurate firearm data. As a result, management may be hindered in its ability to monitor and report the firearms in its custody. In addition, we cannot be assured that we identified the entire population of firearms accepted by the Brooklyn Division. Officials have stated that they use Firearm Safe Logbooks to record firearms that are accepted and those firearms that are disposed of. Our review of the Fiscal Year 2009 Firearm Safe Logbooks identified several problems causing us to be concerned about the reliability of the firearm data.

There were 679 (33 percent) sequential gaps in the listing of the 2,044 storage numbers assigned to firearms accepted at the respective Intake areas during Fiscal Year 2009. Based on our review of the invoices in the binders for these storage numbers, we determined that 105 of them were assigned to actual firearms, 503 were assigned to simulated firearms, 69 were assigned to firearm-related evidence, and two numbers were not used.

The 105 storage numbers should have been recorded in the Firearm Safe Logbooks because they were for actual firearms. Regarding the remaining 572 storage numbers, Brooklyn Division officials stated they are for simulated firearms and firearm-related evidence and

therefore are not required to be recorded in the Firearm Safe Logbooks because these properties are not stored in safes. This assertion is contradictory to the *Property Guide*, which states that firearms for safekeeping and as arrest or investigatory evidence accepted by the Brooklyn Division should be recorded in a logbook. The *Property Guide* makes no distinction between actual and simulated firearms in the recording of these firearms. Furthermore, the definition of a firearm according to NYPD officials as well as the *Patrol Guide* includes any type of simulated firearm. Therefore, we believe that both actual and simulated firearms should have been recorded in the Firearm Safe Logbooks.

In addition, the *Property Guide* does not provide any direction about how to handle the receipt of firearm-related evidence and whether this evidence should be recorded in the Firearm Safe Logbooks, leaving it to the discretion of Brooklyn Division officials.

During the exit conference, NYPD officials stated that simulated firearms and firearm-related evidence are not stored in the safes, even though they are assigned firearm storage numbers for reasons including quick reference when inquiries are made. The Firearm Safe Logbooks reflect only storage numbers associated with property that is stored in the safes. Furthermore, the officials stated that the definition of a firearm according to the *Patrol Guide* includes simulated firearms, but this definition pertains to the invoicing of the firearms, not to the storage and recording of the firearms. However, this practice is not consistent with the formal procedures in the *Property Guide*, which makes no distinction between the recording of actual and simulated firearms and is silent on whether firearm-related evidence should be recorded.

### **Recommendations**

The NYPD should:

1. Ensure that Brooklyn Division officials follow procedures outlined in the *Property Guide* with regard to recording the receipt of actual firearms in the Firearm Safe Logbooks.

***NYPD Response:*** NYPD officials stated that “we must further analyze/evaluate the recommendation.” NYPD officials further stated, “The finding indicates that the property guide makes no distinction between a simulated firearm and a real firearm and therefore, the auditors indicate that both should be recorded in the firearms safe log. We do not store simulated firearms in the safe and, therefore, they are not recorded in the firearms safe log even though there is no distinction being made between a real firearm and a simulated firearm in the property guide. Only real firearms are stored [recorded] in the firearms safe log and are therefore stored in the safe.

“The Department will further evaluate the process to determine if there should be an entry made in the firearms logbook to show the distinction between simulated and real firearms.”

***Auditor Comment:*** The NYPD’s response does not address the recommendation as written. This recommendation is not related to the recording of simulated firearms in the Firearm Safe Logbooks. Rather, this recommendation is based on our finding that 105

storage numbers related to actual firearms stored in the safes were not recorded in the Firearm Safe Logbooks as required, a finding which the NYPD does not dispute. Accordingly, we urge the NYPD to reconsider its response to this recommendation.

2. Ensure that the *Property Guide* provides instructions regarding how to handle the receipt of simulated firearms and firearm-related evidence.

***NYPD Response:*** NYPD officials stated that they determined that the recommendation needed further analysis and evaluation. According to NYPD officials, “This recommendation relates to recommendation #1, and we believe procedures on how to handle “toy” guns should be further studied before changes are incorporated into the *Property Guide*.”

***Auditor Comment:*** Currently, the *Property Guide* makes no distinction between actual and simulated firearms in the recording of these firearms, and is silent on whether firearm-related evidence should be recorded. To ensure that personnel clearly understand how these items are to be currently treated, the NYPD should move promptly to include interim instructions in the *Property Guide*. Once the NYPD completes its analysis and adopts a more formal policy, the *Property Guide* should be amended accordingly.

3. Require that one of the two Sergeants in charge of supervising the Brooklyn Division periodically review the Firearm Safe Logbooks. At a minimum, the Sergeants should determine whether there are any gaps in the listing of storage numbers and firearm disposal information is recorded (if applicable). There should be adequate justifications for any discrepancies found.

***NYPD Response:*** NYPD officials agreed with the recommendation but stated, “The finding associated with this recommendation indicates that there are gaps in the listing of storage numbers, but in fact these gaps are due to storage numbers assigned to simulated firearms which are not stored in the safes. The gaps are recognized as an item received but which are not stored in the safes. To the extent practicable and with reasonable frequency, supervisors will assess that any gaps in the sequence are justified and account for any such gaps with the appropriate notation.”

***Auditor Comment:*** The NYPD’s claim that the sequential gaps in the listing of storage numbers are solely due to storage numbers assigned to simulated firearms is incorrect. While the majority of the 679 sequential gaps were related to simulated firearms, we still found that 105 were related to actual firearms and 69 were related to firearm-related evidence.

### **Failure to Reconcile the Number of Firearms Recorded on Property Clerk’s Delivery Receipts with the Number Recorded on Invoices**

During our test to determine whether firearms stored for safekeeping for more than a year were processed for destruction, we discovered that one shoulder weapon reportedly received in April 2003 initially could not be accounted for. This appears to have occurred because the

Brooklyn Division does not reconcile the number of firearms recorded on the Property Clerk's Delivery Receipts with the number recorded on invoices. It was not until several attempts were made by the NYPD over a five-month period that documentation was eventually provided to account for the firearm's whereabouts.

For the purposes of that test, we selected 50 storage numbers corresponding to 93 firearms accepted for safekeeping during calendar year 2008 or earlier. During our review, conducted in April 2010, we found that one of the storage numbers was related to a firearm that could not be but was eventually found. The storage number in question had two invoices assigned to it. Nine shoulder weapons for safekeeping were listed on the first invoice, and one shoulder weapon for safekeeping, a Stevens shotgun, was listed on the second invoice. Notations recorded on both invoices indicated that all 10 firearms had been returned by the Brooklyn Division to the originating command in July 2003. However, the actual Property Clerk's Delivery Receipt indicated that only nine shoulder weapons had been returned to the command.

When we brought this matter to the attention of NYPD officials, they searched for the Stevens shotgun in the Brooklyn Division's safes, the warehouse, and the originating command, but were unable to find it. NYPD officials stated that seven years had passed since the shotgun was initially invoiced and that the personnel working at the Brooklyn Division during that time were no longer present.

During the exit conference—held in September 2010, five months after we brought this issue to their attention—NYPD officials stated that they eventually found the firearm. They provided documentation that indicated that the Stevens shotgun was apparently returned to the originating command in August 2003 and was then sent to the Police Laboratory shortly thereafter. Subsequently, it was sent to the warehouse for destruction and was apparently destroyed in September 2009. NYPD officials informed us that once property is returned to a command, the Brooklyn Division's custodial responsibility ends and is no longer accountable for the property and for tracking its whereabouts.

### **Recommendation**

4. The NYPD should ensure that the Brooklyn Division documents that the number of firearms recorded on the Property Clerk's Delivery Receipts reconciles with the number recorded on the supporting invoices before firearms are returned to the originating commands.

***NYPD Response:*** NYPD officials stated that this recommendation is “unnecessary” because plans were made to address this issue independent of this audit. According to NYPD officials, “The finding associated with this recommendation was that a receipt did not correspond to an associated invoice for a shoulder weapon which was initially not found in possession of the Property Clerk Office. The weapon was subsequently determined to have been returned to a precinct and back to the PCD [Property Clerk Division] for destruction. Administrative errors such as this will be eliminated with the implementation of the PETS system. The system will allow the Property Clerk Division to track all firearms coming into

the possession of the Police Department during all phases of possession. The system will be able to track the location of firearms from the invoicing process through final disposition.”

**Auditor Comment:** Although the NYPD believes this recommendation to be “unnecessary,” it fails to identify the actions it plans to take, before the PETS system is implemented, to ensure that this type of “administrative error” does not occur. We also note that the last contract phase of the PETS system ends in 2016. Accordingly, we reaffirm our recommendation and urge the NYPD in the interim to perform the basic step of ensuring that the number of firearms recorded on Property Clerk’s Delivery Receipts and invoices reconcile before firearms are returned to the originating commands.

### **Inconsistent Reporting of Firearms and Cash Invoices Accepted by the Brooklyn Division**

The number of firearms and cash invoices reported as being received by the Brooklyn Division during Fiscal Year 2009 in the Monthly Activity Recap and in the Firearm Safe Logbooks and Cash Ledger is inconsistent.

NYPD officials stated that the source of the information in the Monthly Activity Recap is derived from the Firearm Safe Logbooks and the Cash Ledger. However, when we counted the number of firearms and cash invoices recorded in the logbooks and ledger, we obtained totals different from those reported in the Monthly Activity Recap.

According to the Monthly Activity Recap, a total of 1,684 firearms were reported as being received during Fiscal Year 2009. However, based upon our review of the Firearm Safe Logbooks, we determined that during this same period a total of 2,729 firearms were recorded as being received—a discrepancy of 1,045 firearms, resulting in the Monthly Activity Recap being understated. In addition, based upon our review of the Cash Ledger, a total of 12,386 cash invoices were reported as being received during Fiscal Year 2009. However, a total of 12,058 cash invoices were reported as being received during this same time period in the Monthly Activity Recap—a discrepancy of 328 cash invoices, resulting in the Monthly Activity Recap being understated. Though the matter of the discrepancies has been brought to the attention of NYPD officials, they have not provided an explanation.

Table I, following, shows the number of firearms and cash invoices received each month by the Brooklyn Division during Fiscal Year 2009 according to the Monthly Activity Recap and according to the Firearm Safe Logbooks and Cash Ledger.



**Table I**

Number of Firearms and Cash Invoices Received During Fiscal Year 2009  
According to the Monthly Activity Recap and the Firearm Safe Logbooks and Cash Ledger

Month	# of Firearms Received			# of Cash Invoices Received		
	According to the Monthly Activity Recap	According to the Firearm Safe Logbooks	Difference	According to the Monthly Activity Recap	According to the Cash Ledger	Difference
July	207	396	(189)	1,033	1,032	1
August	166	293	(127)	1,037	1,037	0
September	144	223	(79)	1,101	1,101	0
October	201	323	(122)	870	1,149	(279)
November	135	206	(71)	891	876	15
December	83	133	(50)	901	902	(1)
January	159	234	(75)	1,078	1,078	0
February	44	115	(71)	991	993	(2)
March	128	186	(58)	1,161	1,171	(10)
April	111	205	(94)	1,006	1,058	(52)
May	175	246	(71)	960	960	0
June	131	169	(38)	1,029	1,029	0
<b>Total</b>	<b>1,684</b>	<b>2,729</b>	<b>(1,045)</b>	<b>12,058</b>	<b>12,386</b>	<b>(328)</b>

It is essential that the Monthly Activity Recap be accurate because it is an internal report used for “statistical analysis by the Property Clerk Division Executive Staff.” If it is not accurate, management will be making decisions based on flawed data.

During the exit conference, NYPD officials acknowledged that the number of firearms and cash invoices reported as being received by the Brooklyn Division in the Monthly Activity Recap and in the Firearm Safe Logbooks and Cash Ledger is inconsistent. They stated that the Monthly Activity Recap is not “an inventory management tool” but rather an internal document used by management that was intended to provide a “snapshot” to reflect how much property is physically in the custody at the Brooklyn Division. NYPD officials further stated that the numbers reported in the Monthly Activity Recap each month are less than the numbers reported in the Firearm Safe Logbooks and Cash Ledger because the Monthly Activity Recap does not reflect how much of the property that was received at the Brooklyn Division was sent to the Police Laboratory or was signed out (e.g., for presentation at Criminal Court). NYPD officials, however, did not identify the supporting documentation for the numbers presented in the Monthly Activity Recap. As a result, we are unable to attest to the accuracy of the Monthly Activity Recap.

Officials stated that they are planning to revise the Monthly Activity Recap to include information concerning property sent to the Police Laboratory or property signed out. In addition, they stated that once the Property and Evidence Tracking System (PETS) is up and running, there should no longer be discrepancies.

## **Recommendation**

5. The NYPD should ensure that officials responsible for the preparation and review of internal statistics regarding the number of firearms and cash invoices received by the Brooklyn Division attest that the data is adequately supported and has been reviewed for accuracy and completeness.

***NYPD Response:*** NYPD officials agreed and stated, “. . . the PETS system will standardize the invoicing of all firearms and currency and ensure the accuracy of inputted data. The system will enable the user to generate audit reports and conduct self inspections of data entries.”

***Auditor Comment:*** As stated previously, the last contract phase of the PETS system ends in 2016. Until the PETS system is operational, the NYPD should ensure that the individuals responsible for the preparation and review of internal statistics attest to its accuracy and completeness.

### **Firearm Data Recorded on Invoices Not Always Verified for Accuracy and Completeness upon Intake**

We found that firearm data recorded on sampled invoices was not always verified by the Brooklyn Division for accuracy and completeness upon intake. According to the *Property Guide* and NYPD officials, invoices should include the make (i.e., manufacturer), model, caliber, and serial number for each of the firearms being accepted into inventory. However, most of the invoices we reviewed either did not contain all of this information—including eight instances in which the serial numbers for the firearms were not recorded—or this information was incorrectly recorded.

In most instances, the incorrect or lacking information on the invoices did not materially impact our ability to reasonably conclude that the firearms recorded on the invoices were in fact the firearms that we observed. Examples included an incorrect digit in a serial number of a firearm or the manufacturer of a firearm not being recorded. However, there were 13 instances in which material omissions or errors existed, including the eight instances in which the invoices did not contain the serial numbers of the firearms. The most serious case we observed involved a handgun for which the description on the invoice was simply “White Box marked R1” and “Brown Paper Bag Marked R2.” In another case, only the caliber of the handgun was recorded on the invoice—the manufacturer, model, and serial number were all omitted.

According to the *Property Guide*, the clerks at the respective Intake areas verify that information pertaining to the delivered firearms match information on the invoices “for completeness and accuracy.” However, the *Property Guide* does not provide guidance for handling any discrepancies found. NYPD officials stated that if there are discrepancies, the invoices cannot be altered by Brooklyn Division personnel. The Sergeant in charge of supervising the Brooklyn Division stated that discrepancies in invoices pertaining to firearms for safekeeping are returned to the commands for correction; those pertaining to firearms as arrest or investigatory evidence that have been analyzed by the Police Laboratory are not returned.

The completeness and accuracy of the descriptions on the invoices are also important for those instances in which the firearms are eventually destroyed. According to §400.05 of the New York State Penal Law, the NYPD is required to provide the state police with a description (i.e., make, model, caliber, serial number) of any firearm to be destroyed so that the state police can search for any “alarms” that may have been placed on the firearm. Inaccurate or incomplete descriptions on the invoices could both hinder the NYPD’s ability to properly notify the state police of firearms to be destroyed and affect the results of the searches.

During the exit conference, NYPD officials reiterated that the Brooklyn Division cannot alter invoices if there are discrepancies. They also informed us that sometimes at a crime scene the property in question is sealed and cannot be “touched” by the arresting officer, so when the officer prepares the invoice, that officer will not be able to record all of the details about the property. (NYPD officials, however, did not state whether this situation applied to any of the specific instances identified in this audit.) NYPD officials stated that they will issue a memorandum to all of the commands on being more accurate when recording information about property on the invoices.

### **Recommendation**

6. The NYPD should include instructions in the *Property Guide* on handling discrepancies between firearm data contained in the invoices and data obtained from the Intake clerks’ observations of the firearms.

***NYPD Response:*** NYPD officials stated, “Further analysis and review is necessary to include units outside of the Property Clerk since there are certain items that require a forensic lab test before they can be accepted by invoicing personnel.”

***Auditor Comment:*** Currently, the *Property Guide* does not provide guidance to Property Clerk personnel for handling the above-mentioned discrepancies. Accordingly, we believe that the NYPD should include interim instructions for Property Clerk personnel for handling these discrepancies in the *Property Guide*. Once the NYPD completes its analysis and adopts a more formal policy, the *Property Guide* should be amended accordingly.

### **Safekeeping Firearms in Custody Longer Than a Year Not Always Destroyed**

According to §400.05 of the New York State Penal Law, firearms surrendered or voluntarily delivered to the NYPD for safekeeping shall be retained for up to one year. Firearms not returned to their owners or otherwise lawfully disposed of by that time should be destroyed. Firearms belonging to members of service are excluded from this mandate.

Our review found that 10 (11 percent) of the 93 firearms for safekeeping in our sample (corresponding with seven of the sampled 50 storage numbers) belonged to persons other than members of service and had been in the Brooklyn Division’s possession for more than one year after acceptance. We calculated the length of time that the firearms had been in possession and

found that the time ranged from three months to a little over five years beyond the one-year period.

Officials stated that they are aware that there are firearms for safekeeping that are still in their possession longer than one year that should be destroyed, but they do not have adequate personnel to “go through them.” This is not good practice as firearms could be stored for years and limit the space available for more recent firearms. By storing firearms indefinitely, the risk is also increased that the Brooklyn Division may lose track of the firearms and that firearms could be removed without detection.

Subsequent to the exit conference, NYPD officials sent a written response stating the current status of the above-mentioned 10 firearms. (This response, however, still did not adequately explain why these firearms were retained beyond one year.) Of the 10 firearms, seven were being prepared administratively for the next destruction cycle, two were still under investigation by NYPD’s License Division, and one was decedent’s property that was still being held until the conclusion of the Surrogate’s Court Case. Regarding this last case, NYPD officials stated that decedent’s property is to be held for five years after which time it is to be turned over to the Public Administrator. However, this contradicts what we were told in writing during the audit by the Commanding Officer of the Property Clerk Division—who stated that the Public Administrator does not accept firearms. We confirmed this with the Kings County Public Administrator, who stated that firearms and firearm-related evidence are not accepted by his office from the NYPD and that any firearms that the office receives are forwarded to the NYPD.

Regarding firearms belonging to members of service, we found that that 73 of the 93 firearms in our sample (corresponding with 37 of the sampled 50 storage numbers) had been in the possession of the Brooklyn Division from three months to a little over six years beyond the one-year period. Although not required, we found that the Brooklyn Division sometimes sends letters to members of service advising them that their firearms can be retained for a period of only one year and asking them to contact the Brooklyn Division within 30 days stating their intentions for the disposition of the firearms; otherwise the firearms would be processed for destruction.

### **Recommendations**

The NYPD should ensure that the Brooklyn Division:

7. Follows the procedures governing the destruction of safekeeping firearms after the allotted time of one year, as required by New York State Penal Law.

***NYPD Response:*** NYPD officials stated that they determined that the recommendation is “unnecessary” and stated, “The PETS project contains features that will flag firearms that are kept for safekeeping after one year. In addition, the Property Clerk Division will send out letters to uniformed members of service whose firearms were invoiced for safekeeping. Firearms may be held for safekeeping beyond one year due to civil litigation, internal and/or external investigations, and other unique circumstances.”

**Auditor Comment:** The NYPD again refers to the planned implementation of the PETS system to address a deficiency but does not identify the actions it will take in the interim before such implementation is completed. Following the exit conference, NYPD officials acknowledged that seven of the 10 cited firearms were held beyond one year for no apparent reason. Accordingly, we reaffirm our recommendation and urge the NYPD to ensure that the above-mentioned procedures are followed.

8. Implements internal procedures requiring that notification letters be sent to all owners of safekeeping firearms who are members of service stating that their firearms are still in custody and requesting them to provide instructions about the disposition of their firearms.

**NYPD Response:** NYPD officials agreed and stated, “The rear of the pink copy of the invoice is always given to members of the service which details the safekeeping of firearms policy. Letters are currently being sent to uniformed members of the service in regards to their invoiced firearms. Additionally, we will consider modifying forms specifically for separated members of the service detailing the time limitations for safekeeping.”

### **Invoices Do Not Always Contain Required Intake Signatures and Dates**

In general, the invoices for both firearms and cash did not identify the Intake clerks who accepted the property and the dates the property was accepted, as required by the *Property Guide*. Specifically, of the 318 invoices reviewed in our sample for firearms,<sup>6</sup> only nine (3 percent) had the date the firearms were received by the Brooklyn Division, and only 83 (26 percent) identified the clerks who received them. In addition, none of the 100 invoices reviewed in our sample for cash were dated upon receipt by the Brooklyn Division, and 10 of these invoices did not identify the receiving clerk. Without this information, the NYPD is hindered in determining when the property was received, verified, and accepted by the individuals responsible for the intake process. In addition, dating the invoices upon receipt of the firearms helps to track the length of time firearms have been in the possession of the Brooklyn Division. This is especially important for those firearms that are required to be destroyed after the expiration of one year of being accepted.

Furthermore, we found that the NYPD does not require that Police Officers delivering firearms as arrest or investigatory evidence sign invoices, as is required for Police Officers delivering firearms for safekeeping. While 95 percent (104 out of 109) of the sampled invoices pertaining to firearms for safekeeping contained signatures of the delivering Police Officers, only 3 percent (six out of 209) of the sampled invoices pertaining to firearms as arrest or investigatory evidence contained signatures. We attributed this to the fact that the *Property Guide* requires the signatures of the Police Officers only for the safekeeping firearms, but for some reason does not mention anything about the signatures for firearms as arrest or investigatory evidence—even though invoices for both safekeeping firearms and arrest or investigatory evidence firearms

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<sup>6</sup>There were 320 invoices in our sample; however, two were duplicates, so we eliminated them from our analysis.

clearly have a space for these signatures. Though the omission has been brought to the attention of NYPD officials, they have not provided an explanation.

Finally, none of the 53 invoices for cash as arrest or investigation evidence contained the initials and name stamp of the Police Officer assigned to safeguard the Cash Safe to indicate verification of the cash received from the clerks.

### **Recommendations**

The NYPD should:

9. Ensure that the Brooklyn Division complies with the procedures outlined in the *Property Guide* relating to date stamping invoices with the date that property is accepted, the initialing and name stamping of invoices by Intake clerks, and the initialing and name stamping of invoices by the Cash Safe Police Officer.

***NYPD Response:*** NYPD officials stated that they determined that the recommendation is “unnecessary because it calls for an action, policy, or practice that was planned or existed independent of the audit.” According to NYPD officials, “Property Clerk Division facilities have the time stamps and name stamps. Supervisors are conducting inspections and the PCD Investigations Unit will continue to conduct random checks to ensure that PCD Property Guide policies are being followed.”

***Auditor Comment:*** The NYPD appears to be claiming that the procedures are being followed. We disagree. As discussed in this report, our audit tests revealed that these procedures are not consistently followed. Accordingly, we reaffirm this recommendation.

10. Include a requirement in the *Property Guide* that invoices contain the signatures of the Police Officers delivering arrest or investigatory evidence firearms.

***NYPD Response:*** NYPD officials stated that they determined that the recommendation is “unnecessary because it calls for an action, policy, or practice that was planned or existed independent of the audit.” According to NYPD officials, “This requirement is written in the Property Guide and will be complied with. Procedure 601-5 . . . (Firearms delivered to Borough office from Lab) and 601-6 . . . (Firearms delivered to Borough for safekeeping). Follow-up inspections will be conducted by assigned Supervisors and the PCD Inspection Unit.”

***Auditor Comment:*** The NYPD’s contention that the *Property Guide* already contains a requirement for invoices to contain the signatures of the Police Officers delivering arrest or investigatory evidence firearms is incorrect. Although invoices have a space for the signatures of the Police Officers delivering these firearms, Procedure 601-5 referred to by NYPD officials includes no explicit requirement that the Police Officers actually sign the invoices. As discussed in this report, there is only a requirement in the *Property Guide*, referred to by NYPD officials as Procedure 601-6, for signatures of Police Officers delivering safekeeping firearms. Accordingly, we reaffirm this recommendation.

## **Other Weaknesses**

### **Inadequate Storage Plan**

According to the *Property Guide*, each of the five offices within the Property Clerk Division, including the Brooklyn Division, is to prepare and maintain for review a Storage Plan, including the identification of the primary and secondary areas for the storage of valuable and sensitive property; a listing of all personnel assigned indicating those who have access to sensitive or security areas; and provisions in the event of an emergency.

We found that the Brooklyn Division's Storage Plan either does not include all of the required information or does not contain information that correctly reflects the Brooklyn Division's operations. For example, it fails to indicate that there is an Arrest Safe and a Narcotics Safe. Furthermore, the Storage Plan incorrectly indicates that there is a Jewelry Safe; however, jewelry is stored together with firearms in the Arrest Safe. Because the storage of property is an integral step of the intake process, the storage plan should accurately reflect all the safes containing the sensitive and valuable property and their correct locations.

### **Firearms Stored at the Warehouse and not the Brooklyn Division**

There were three shoulder weapons in our sample listed as arrest evidence on the associated invoices that were being stored at the Property Clerk Division's warehouse in Long Island City and not the Brooklyn Division. According to NYPD officials, firearms are to be transferred to the warehouse for destruction, not for storage. Officials confirmed that the three firearms had been sent to the warehouse, as indicated by notations on the invoices. However, they could not provide a valid reason for that action. When we visited the warehouse, we found that one of the shoulder weapons had been stored there for one and a half years after it had been sent there, and the remaining two shoulder weapons had been stored there for almost seven years after they had been sent there.

At the exit conference, NYPD officials stated that the three shoulder weapons have not yet been destroyed because officials are investigating whether these weapons could be converted into NYPD property to be used for training purposes for its units. (There was no evidence in the Brooklyn Division's or the warehouse's hard-copy files, however, indicating that these three weapons were under investigation for conversion.)

### **Recommendations**

The NYPD should:

11. Update the Brooklyn Division's Storage Plan to incorporate all of the safes containing valuable and sensitive property as well as to include the types of property in the safes.

***NYPD Response:*** NYPD officials agreed and stated, "The Property Clerk Division's Brooklyn Borough Office will update its storage plan to reflect current operating procedures."

12. Ensure that only those firearms designated for destruction are transferred to the Property Clerk Division's warehouse.

***NYPD Response:*** NYPD officials stated that they determined that the recommendation needed further analysis and evaluation. According to NYPD officials, “. . . the Department may require additional flexibility with regard to its management of storage and facilities.”





POLICE DEPARTMENT

Office of Management Analysis and Planning  
One Police Plaza, Room 1403  
New York, N.Y. 10038

November 19, 2010

Tina Kim  
Deputy Comptroller For Audits  
The City of New York  
Office of the Comptroller  
1 Centre Street  
New York, N.Y. 10038

**Re: Response to Draft: Audit Report on the  
Cash and Firearm Custody Controls of the  
Brooklyn Property Clerk Division of the Police  
Department (MH10-058A)**

Dear Ms. Kim:

This letter is our response to the Draft Report on the Audit of the Cash and Firearm Custody Controls of the Brooklyn Property Clerk Division of the Police Department. The report was recently forwarded to us by your office.

The Police Department is pleased to read in this report that our controls over the acceptance, safeguarding, and disposition of firearms and cash by the Brooklyn Division are adequate; that all of the sampled firearms that were reported to be in a safe, or at the warehouse, were accounted for; that there was adequate documentation to support firearms that were either signed out or returned to their rightful owners; and that the handgun, arrest, and cash safes were locked at all times and accessed only by authorized personnel. In addition, we are gratified to know that there were no duplicate check numbers or gaps in the sequential listing of checks issued, and that disbursements were properly authorized and adequately supported by hard-copy files. More importantly, the report indicates that **ALL monies connected with this office were accounted for and handled appropriately in accordance with NYPD procedures**. It should also be noted that **the firearms that the Police Department was asked to produce were ALL accounted for and were ALL made available** despite the fact that in a few instances the items lacked some related support information.

The Police Department agrees with some of the findings indicated in the report, and acknowledges that there are deficiencies which are explainable. We believe many of the indicated recommendations cited in the report are actionable since they are reasonable improvements to administrative matters that are in existence or are currently in the planning stages. Others are reasonable improvements to administrative matters that would impact other evidence handling policies.

With respect to the firearms that the Police Department was asked to produce for review, the Department contends that the information on the invoices or log books associated with these items does not materially impact or affect the Department's ability to produce the item. Indeed, the auditors have stated that "lacking information on the invoices did not materially impact our ability to reasonably conclude that the firearms recorded on the invoices were in fact the firearms that we observed." (Page 13, Draft Report). It should also be noted that any reports the Department maintains on firearms and cash are not being used as inventory management tools but function only as snapshots of property in custody.

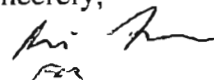
In addition, the report states that some firearms are not always destroyed after being held in custody for five years by the Police Department. Please be informed that firearms are not destroyed if there is an active civil court case that involves these firearms. For other firearms, the Police Department will ensure adherence to the procedures governing the destruction of safekeeping firearms after the allotted time of one year, as required by New York State Penal Law.

The following additional actions will be taken to improve the efficiency and accountability of all Property Clerk Borough offices: The Property Clerk Division is in the process of installing high density shelving in all of the Borough Offices, which, with the implementation of the Property Evidence Tracking system (PETS) will assist in modernizing the storage and retrieval of property; additional training will be given to Property Clerk Division personnel to keep them apprised of current rules and procedures (Operations Orders and FINEST messages will address these issues at the precinct level); supervisors will conduct additional self-inspections to address property currently being stored (to ensure that property is being categorized, secured and disposed of in an appropriate manner); the Investigations Unit will conduct additional random inventories targeting cash and firearms; and a current analysis is being conducted to assess the feasibility of relocating the Brooklyn Property Clerk's Office to a larger facility.

Attached please find an Audit Implementation Plan (AIP) indicating our response to each of the recommendations indicated in the auditors' report. We have agreed with four (4) of the recommendations, found four (4) of them unnecessary since they call for an action that was previously planned or existed independent of the audit, and four (4) which we have determined need further study.

We appreciate the Comptroller's efforts to conduct this audit and hope your office found that the Department demonstrated its policy of full cooperation during the course of the audit. If you have any questions concerning this response, please contact Administrative Staff Analyst Kenneth Wesley at 646-610-8366.

Sincerely,



John K. Donohue  
Deputy Chief

**NYPD AGENCY IMPLEMENTATION PLAN**

Auditing Agency	NYC Comptroller
Audit Title/Subject	Cash and Firearm Custody Controls of the Brooklyn Property Clerk Division
Audit #	MH10-058A

AUDIT REPORT STATUS	Draft Report	Report Dated	November 3, 2010
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PD EVALUATION OF RECOMMENDATIONS BY CATEGORY			
Category		Recommendation Numbers	Total Recommendations
A	We agree with the recommendation and have implemented or will attempt to implement	3,5,8,11	4
B	We agree with the recommendation but are unable to implement		
C	We disagree with the recommendation and will not implement.		
D	The recommendation, while valid, is unnecessary because it calls for an action, policy or practice that was planned or existed independent of the audit.	4,7,9,10	4
E	We must further analyze/evaluate the recommendation.	1,2,6,12	4
TOTAL – All Recommendations Made			

LIST OF RECOMMENDATIONS AND PD EVALUATION OF EACH						
#	Recommendation	Category				
		Agree.  Will Imple- Ment.	Agree.  Can't Imple- Ment.	Disagree.  Won't Imple- Ment.	Not Necessary.  A Planned or Existing Practice.	Requires Study.
1.	The NYPD should ensure that Brooklyn Division officials follow procedures outlined in the <i>Property Guide</i> with regard to recording the receipt of actual firearms in the Firearm Safe Logbooks.					X
2.	Ensure that the <i>Property Guide</i> provides instructions regarding how to handle the receipt of simulated firearms and firearm-related evidence.					X
3.	Require that one or two of the sergeants in charge of supervising the Brooklyn Division periodically review the Firearm Safe Logbooks. At a minimum, the Sergeants should determine whether there are any gaps in the listing of storage numbers and if firearm disposal information is recorded (if applicable). There should be adequate justifications for any discrepancies found.	X				

4.	The NYPD should ensure that the Brooklyn Division documents that the number recorded on the Property Clerk's Delivery Receipts reconciles with the number recorded on the supporting invoices before firearms are returned to the originating commands.				X	
5.	The NYPD should ensure that officials responsible for the preparation and review of internal statistics regarding the number of firearms and cash invoices received by the Brooklyn Division attest that the data is adequately supported and has been reviewed for accuracy and completeness.	X				
6.	The NYPD should include instructions in the <i>Property Guide</i> on handling discrepancies between firearm data contained in the invoices and data obtained from the intake clerk's observations of the firearms.					X
7.	Ensure that the Brooklyn Office follows the procedures governing the destruction of safekeeping firearms after the allotted time of one year, as required by New York State Penal Law.				X	
8.	Implement internal procedures requiring that notification letters be sent to all owners of safekeeping firearms who are members of the service stating that their firearms are still in custody and requesting them to provide instructions about the disposition of their firearms.	X				

9.	Ensure that the Brooklyn Office complies with the procedures outlined in the <i>Property Guide</i> relating to date stamping invoices with the date that the property is accepted, the initialing and name stamping of invoices by Intake clerks, and the initialing and name stamping of invoices by the Cash Safe Police Officer.				X	
10.	Include a requirement in the <i>Property Guide</i> that invoices contain the signatures of the Police Officers delivering arrest or investigatory evidence firearms.				X	
11.	Update the Brooklyn Office's Storage Plan to incorporate all of the safes containing valuable and sensitive property as well as to include the types of property in the safes.	X				
12.	Ensure that only those firearms designated for destruction are transferred to the Property Clerk Division's warehouse.					X

Category "A"	We agree with the recommendation and have implemented or will attempt to implement.
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Recommendation #	3		Report Page #	10
Recommendation				
Require that one or two of the sergeants in charge of supervising the Brooklyn Division periodically review the Firearm Safe Logbooks. At a minimum, the Sergeants should determine whether there are any gaps in the listing of storage numbers and if firearm disposal information is recorded (if applicable). There should be adequate justifications for any discrepancies found.				
Explanation				
The finding associated with this recommendation indicates that there are gaps in the listing of storage numbers but in fact these gaps are due to storage numbers assigned to simulated firearms which are not stored in the safes. The gaps are recognized as an item received but which are not stored in the safes. To the extent practicable and with reasonable frequency supervisors will assess that any gaps in the sequence are justified and account for any such gaps with the appropriate notation.				

Recommendation #	5		Report Page #	13
Recommendation				
The NYPD should ensure that officials responsible for the preparation and review of internal statistics regarding the number of firearms and cash invoices received by the Brooklyn Division attest that the data is adequately supported and has been reviewed for accuracy and completeness.				
Explanation				
As indicated above the PETS system will standardize the invoicing of all firearms and currency and ensure the accuracy of inputted data. The system will enable the user to generate audit reports and conduct self inspections of data entries.				

Recommendation #	8		Report Page #	15
<b>Recommendation</b>				
Implement internal procedures requiring that notification letters be sent to all owners of safekeeping firearms who are members of the service stating that their firearms are still in custody and requesting them to provide instructions about the disposition of their firearms.				
<b>Explanation</b>				
The rear of the pink copy of the invoice is always given to members of the service which details the safekeeping of firearms policy. Letters are currently being sent to uniformed members of the service in regards to their invoiced firearms. Additionally, we will consider modifying forms specifically for separated members of the service detailing the time limitations for safekeeping.				

Recommendation #	11		Report Page #	17
<b>Recommendation</b>				
Update the Brooklyn Office's Storage Plan to incorporate all of the safes containing valuable and sensitive property as well as to include the types of property in the safes.				
<b>Explanation</b>				
The Property Clerk Division's Brooklyn Borough Office will update their storage plan to reflect current operating procedures				



Category "D"	The recommendation is not necessary because it calls for an action, policy or practice that was planned or existed independent of the audit.
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Recommendation #	4		Report Page #	11
Recommendation				
The NYPD should ensure that the Brooklyn Division documents that the number recorded on the Property Clerk's Delivery Receipts reconciles with the number recorded on the supporting invoices before firearms are returned to the originating commands.				
Explanation				
The finding associated with this recommendation was that a receipt did not correspond to an associated invoice for a shoulder weapon which was initially not found in possession of the Property Clerk Office. The weapon was subsequently determined to have been returned to a precinct and back to the PCD for destruction. Administrative errors such as this will be eliminated with the implementation of the PETS system. The system will allow the Property Clerk Division to track all firearms coming into the possession of the Police Department during all phases of possession. The system will be able to track the location of firearms from the invoicing process through final disposition.				

Recommendation #	7		Report Page #	15
Recommendation				
Ensure that the Brooklyn Office follows the procedures governing the destruction of safekeeping firearms after the allotted time of one year, as required by New York State Penal Law.				
Explanation				
The PETS project contains features that will flag firearms that are kept for safekeeping after one year. In addition, the Property Clerk Division will send out letters to uniformed members of service whose firearms were invoiced for safe keeping. Firearms may be held for safe keeping beyond one year due to civil litigation, internal and/or external investigations and other unique circumstances.				

Recommendation #	9		Report Page #	16
<b>Recommendation</b>				
Ensure that the Brooklyn Office complies with the procedures outlined in the <i>Property Guide</i> relating to date stamping invoices with the date that the property is accepted, the initialing and name stamping of invoices by intake clerks, and the initialing and name stamping of invoices by the Cash Safe Police Officer.				
<b>Explanation</b>				
Property Clerk Division facilities have the time stamps and name stamps. Supervisors are conducting inspections and The PCD Investigations Unit will continue to conduct random checks to ensure that PCD Property Guide polices are being followed.				

Recommendation #	10		Report Page #	16
<b>Recommendation</b>				
Include a requirement in the <i>Property Guide</i> that invoices contain the signatures of the Police Officers delivering arrest or investigatory evidence firearms.				
<b>Explanation</b>				
This requirement is written in the Property Guide and will be complied with. Procedure 601-5 Step 2 (Firearms delivered to Borough office from Lab) and 601-6 Step 2 (Firearms delivered to Borough for safekeeping). Follow up inspections will be conducted by assigned Supervisors and the PCD Inspection Unit.				

Category "E"	We must further analyze/evaluate the recommendation.		
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Recommendation #	1		Report Page #	10
Recommendation				
The NYPD should ensure that Brooklyn Division officials follow procedures outlined in the <i>Property Guide</i> with regard to recording the receipt of actual firearms in the Firearm Safe Logbooks.				
Implementation Methods/Procedures and Projected/Actual Implementation Date				
The finding indicates that the property guide makes no distinction between a simulated firearm and a real firearm and therefore, the auditors indicate that both should be recorded in the firearms safe log. We do not store simulated firearms in the safe and therefore they are not recorded in the firearms safe log even though there is no distinction being made between a real firearm and a simulated firearm in the property guide. Only real firearms are stored in the firearms safe log and are therefore stored in the safe.				
The Department will further evaluate the process to determine if there should be an entry made in the firearms logbook to show the distinction between simulated and real firearms.				

Recommendation #	2		Report Page #	10
Recommendation				
Ensure that the <i>Property Guide</i> provides instructions regarding how to handle the receipt of simulated firearms and firearm-related evidence.				
Explanation				
This recommendation relates to recommendation # 1 and we believe procedures on how to handle "toy" guns should be further studied before changes are incorporated into the Property Guide.				

Recommendation #	6		Report Page #	14
Recommendation				
The NYPD should include instructions in the <i>Property Guide</i> on handling discrepancies between firearm data contained in the invoices and data obtained from the intake clerk's observations of the firearms.				
Explanation				
Further analysis and review is necessary to include units outside of the Property Clerk since there are certain items that require a forensic lab test before they can be accepted by invoicing personnel.				

Recommendation #	12		Report Page #	17
Recommendation				
Ensure that only those firearms designated for destruction are transferred to the Property Clerk Division's warehouse.				
Explanation				
We will further study this recommendation as the Department may require additional flexibility with regard to its management of storage and facilities.				