

Harris County Auditor's Office



MEMORANDUM

To: Lina Hidalgo, County Judge
Rodney Ellis, Commissioner Precinct 1
Adrian Garcia, Commissioner Precinct 2
Tom Ramsey, Commissioner Precinct 3
R. Jack Cagle, Commissioner Precinct 4

Christian Menefee, County Attorney
David Berry, County Administrator

From: Mike Post, Harris County Auditor *MP*
Errika Perkins, Chief Assistant County Auditor - Audit Division *EP*

CC: Alex Triantaphyllis, County Judge's Office
Brandon Dudley, Precinct 1
Mike Lykes, Precinct 2
Lynn Blue, Precinct 3

Cheryl Guenther, Precinct 4
Jonathan Fombonne, County Attorney's Office
Leslie Wilks Garcia, First Assistant County Auditor

RE: Crime Stoppers of Houston, Inc. Agreed-Upon Procedures Engagement (**Part 1 of 2**)

Date: September 13, 2022

EXECUTIVE SUMMARY

On April 26, 2022, Commissioners Court requested the Audit Division to perform an engagement of Harris County's (County)¹ donations to Crime Stoppers of Houston, Inc. (Crime Stoppers) and Crime Stoppers' compliance with the terms of the donations.

SCOPE AND PROCEDURES

The engagement encompassed the following agreed-upon procedures:

1. **Accounting of Funds Provided to Crime Stoppers:** Provide a detailed accounting of all funds donated, collected, or assessed by the County and allocated to Crime Stoppers for the years 2012 – 2022, along with the intended purposes of those funds;
2. **Utilization of County Funds by Crime Stoppers:** Determine how the allocated funds were utilized by Crime Stoppers; and
3. **Compliance of Donation Expenditures:** Determine whether the provision and use of those funds comply with:
 - a. The County's contracts with Crime Stoppers, and
 - b. All applicable statutory and regulatory requirements on the provision and use of government funds to and by a nonprofit.

¹ This request defined "county" to include donations from Harris County's general fund, administered by Harris County commissioners court, as well as donations from other funding sources managed by independently elected officials, Harris County Community Supervision and Corrections Department which is overseen by the Texas Department of Criminal Justice-Community Justice Administration Division, or from individuals pursuant to statutory authority. The various funding sources are described in greater detail in Figure 2, below.

SCOPE LIMITATION

On September 1, 2022, Crime Stoppers agreed to provide the previously requested data referenced below within 30 business days. Since the data was not available prior to the finalization of this memorandum, the results of procedure 2 and 3 will be included in a future memorandum.

The Audit Division completed procedure 1 by obtaining County financial records and through the assistance of certain County departments. However, we were unable to perform testing of procedures 2 and 3 due to the limited data provided by Crime Stoppers. We requested Crime Stoppers' bank statements, reconciliations, and accounts payable information, including expenditures. Crime Stoppers did provide their audited financial statements, profit and loss statements for programs the County donated to, IRS Form 990 Returns, Annual Probation Fee and Repayment Reports, and certain County contracts and check copies for the period within their records retention policy.

Crime Stoppers' record retention policy requires the current fiscal year, plus 3 years of financial records to be retained. Additionally, for the 10-year audit scope period, only the Harris County Sheriff's Office contracts for 2013 - 2015 included a right-to-audit clause. Crime Stoppers indicated that (1) some of the sought-after documents fall outside their retention window; and (2) because certain contracts with the County do not have a right-to-audit clauses, they are not legally required to provide the sought-after information.

RECOMMENDATIONS

The Audit Division recommends the following actions to be considered by relevant Harris County departments:

- Regulatory compliance requirements, as set by the U.S. Department of Justice, must be included into contracts with Crime Stoppers from federal forfeited assets, and
- Including clauses related to a right-to-audit, financial performance standards, record-keeping and retention, and/or other specific conditions in Crime Stoppers contracts.

BACKGROUND

Crime Stoppers is a nonprofit organization that was incorporated in Texas in October 1980. The mission of Crime Stoppers is to solve and prevent serious crime in the Greater Houston Area in partnership with citizens, media, and the criminal justice system. The Crime Stoppers Tip Line Program has two purposes:

1. To assist local law enforcement agencies with vital information leading to the filing of criminal charges and the arrest of people suspected of committing a felony; and
2. To make rewards available to people who furnish said information leading to the filing of charges and/or arrest of people suspected of committing a felony.

The Crime Stoppers Reward Assessment Committee determines the amount of the rewards, and their Board of Directors authorizes payment. A summary of Crime Stoppers' Tip Line Program statistics from January 2012 through May 2022 is presented in the table below.

Figure 1 – Crime Stoppers of Houston Tip Line Statistics

	January 2012 to May 2022	Since Inception
Cases Solved	5,982	36,339
Suspects Charged/Arrested	4,350	27,368
Tipsters Paid	4,259	23,646
Total Rewards Paid	\$3,653,500	\$12,734,135
Seized/Recovered Property & Drugs*	\$2,210,709	\$197,735,656

*Recoveries go directly to the law enforcement agency successfully investigating the crime.

The County provides disbursements and in-kind donations to Crime Stoppers to support various Crime Stoppers programs, such as the Tip Line (above), Safe School Institute, Safe Community Program, and Victim Services and Advocacy Program. In total, \$7,216,620 (financial and in-kind services) from the funding sources listed in Figure 2 were provided to Crime Stoppers for the period January 2012 through April 2022. See **Appendix A** for details by dollar amount, funding source, and County department.

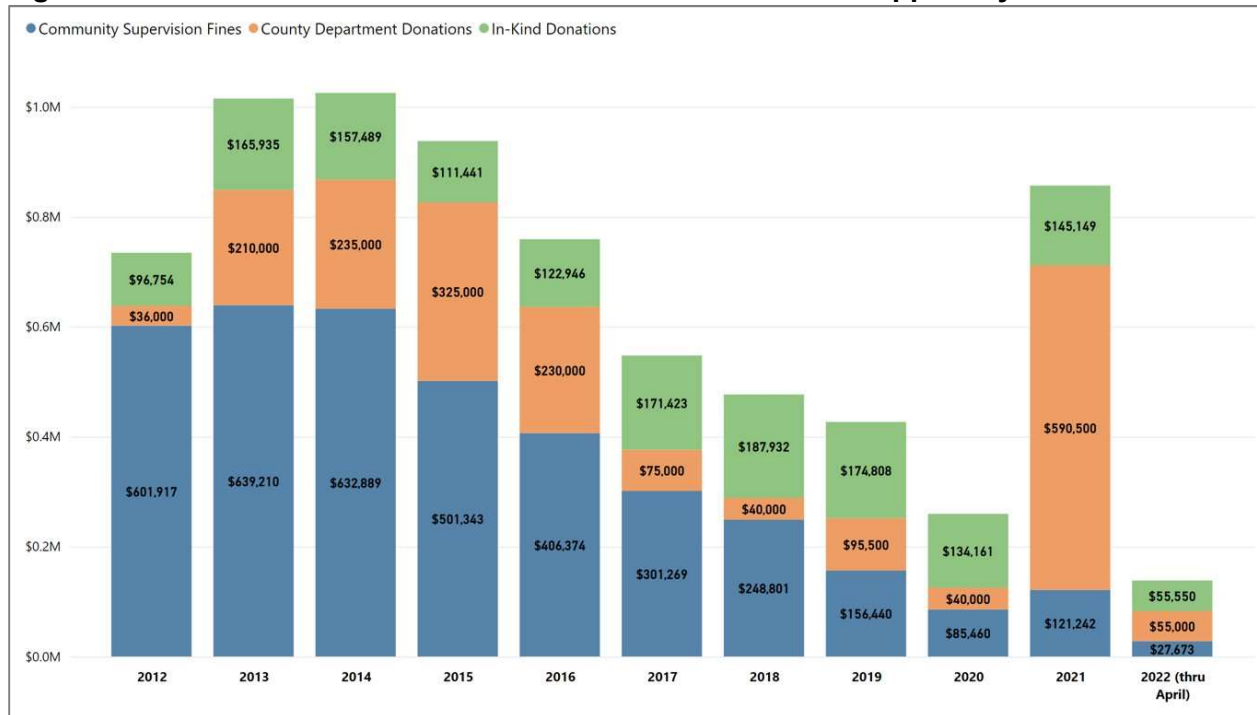
Figure 2 – Funding Source by Funding Group with Related Figures

Funding Group	Funding Source	Related Figure
Sheriff's Office	In-Kind Donations	Fig. 8
Commissioners Court	General Fund	Fig. 5
Sheriff's Office	Texas Chapter 18 Seized & Forfeited Assets	Fig. 5
Various Departments (See Appendix A)	Texas Chapter 59 Seized & Forfeited Assets	Fig. 5
	Federal Seized & Forfeited Assets	Fig. 5
Judge Imposed Community Supervision Fines/Fees¹	Probationers	Fig. 4
Jury Service Donors	Jurors	Fig. 7

¹ Fines/fees collected by Community Supervision & Corrections Department as a condition of probation for Crime Stoppers, or any other non-profit entity, are ordered only under the authority of a Judge (the judicial branch).

A summary of the disbursements and in-kind donations from January 2012 through April 2022 is summarized by amount in the figure below.

Figure 3 – Disbursements and Donations Provided to Crime Stoppers by Calendar Year



Note: Jury donations are excluded from Figure 3 due to a minimal relative value. See Figure 7 for jury donations. Fines/fees collected by Community Supervision & Corrections Department as a condition of probation for Crime Stoppers, or any other non-profit entity, are ordered only under the authority of a Judge (the judicial branch).

LEGAL REFERENCES

The Results section references several statutes and regulations related to disbursements and donations to a crime stoppers organization, jury donations, and uses of state and federal seized and forfeited assets. An overview of these legal references is presented in **Appendix B** for informational purposes.

RESULTS

PROCEDURE 1: ACCOUNTING OF FUNDS PROVIDED TO CRIME STOPPERS

Multiple sources of funding groups managed by independently elected officials, Harris County Community Supervision and Corrections Department (CSCD), which is overseen by the Texas Department of Criminal Justice-Community Justice Assistance Division, or from individuals pursuant to statutory authority, are listed in the sections below:

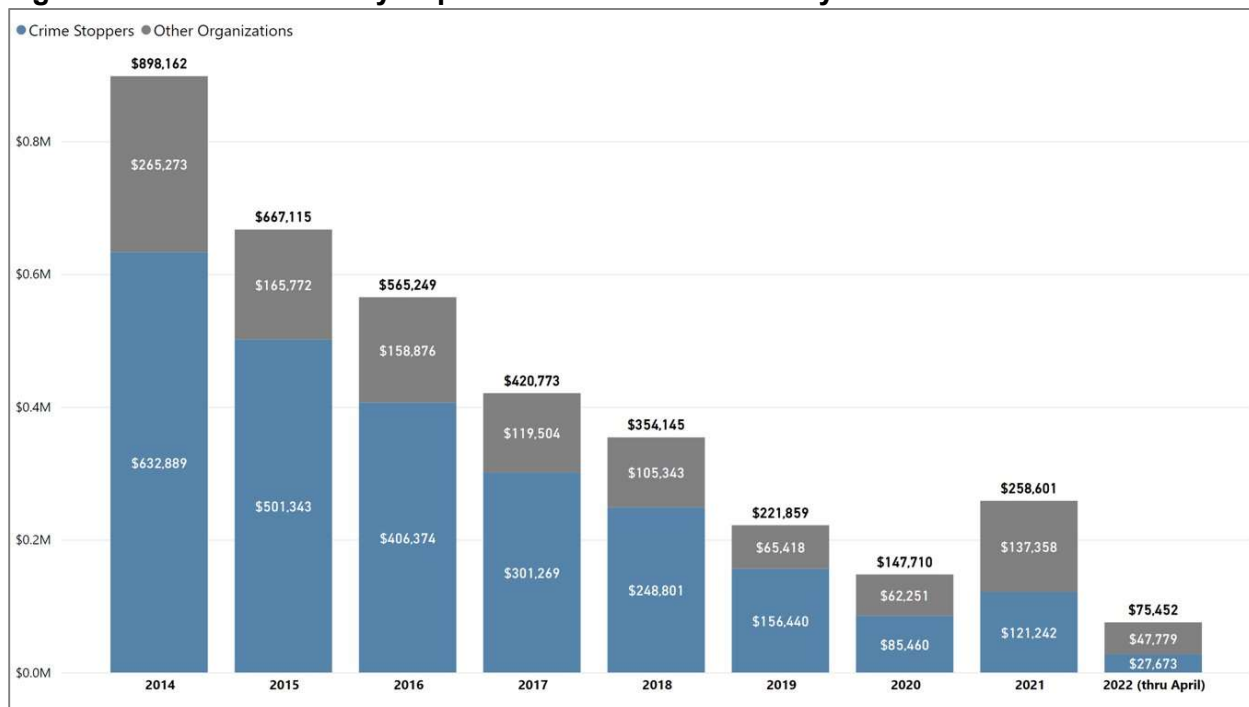
Community Supervision Fines

A judge of the court having jurisdiction of a case is responsible for determining the conditions of community supervision, also known as probation. Pursuant to the Texas Code of Criminal Procedure Art. 42A.301(b)(19), the judge may require the defendant to pay a fine to a crime stoppers organization in an amount not to exceed \$50. Crime Stoppers is one of the recipients

that the judge can designate to receive the funds collected from these fines. The number of charitable organizations approved to receive these funds has increased from 10 organizations in 2014 to 16 organizations in 2022. Other approved organizations include Victims of Crime Fund, Child Victim Services, The Children’s Assessment Center, Houston Food Bank, and the Family Violence Center.

The court-ordered community supervision fine is collected by CSCD, which is overseen by the Texas Department of Criminal Justice-Community Justice Assistance Division. CSCD collects the funds and submits them directly to Crime Stoppers. CSCD collected a total of \$2,481,491 in fines that were allocated to Crime Stoppers for the period of January 2014 through April 2022, as presented below:

Figure 4 – Total Community Supervision Fines Collected by Calendar Year

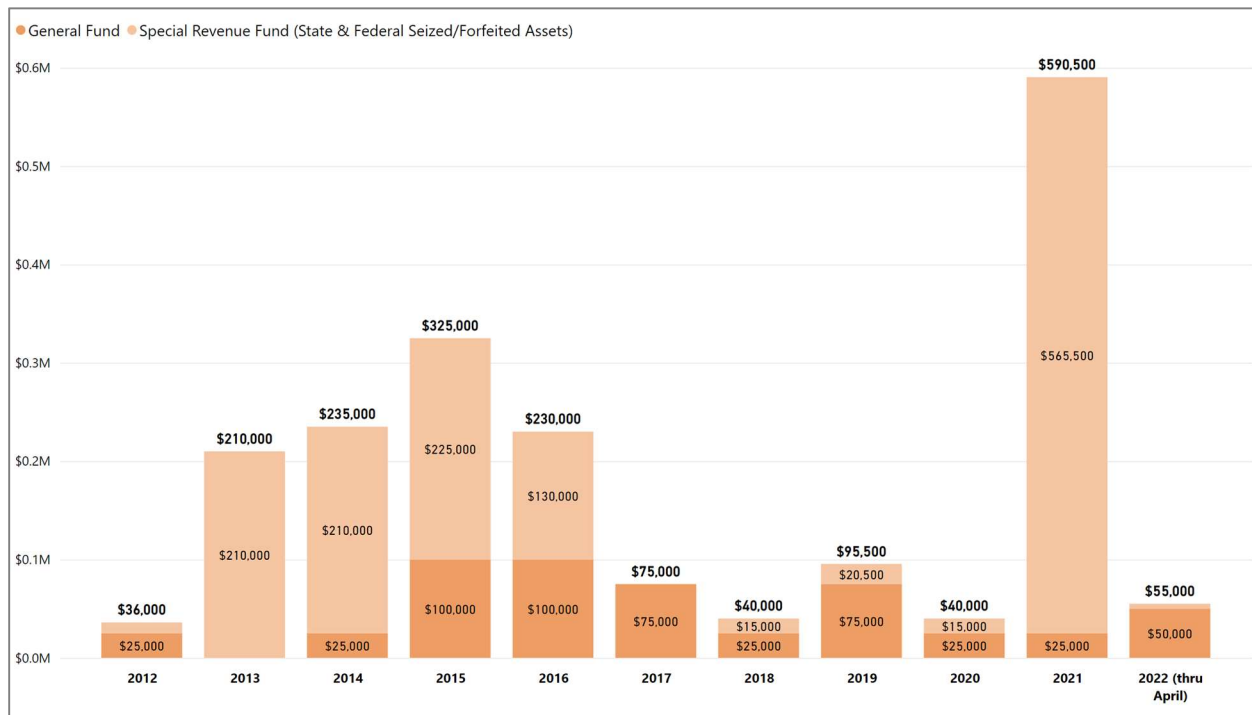


Note: Data for the total CSCD collections for “Other Organizations” prior to 2014 were not available.

County Department Donations

Donations to Crime Stoppers over the past 10 calendar years totaled \$1,932,000 and were made by the four Commissioners, the District Attorney's Office, the County Attorney's Office, the Sheriff's Office, and the Constables from Precinct 1 and Precinct 4. Donations during this period from the County's general fund totaled \$525,000, and donations from special revenue funds (including departmental seized and forfeited assets) totaled \$1,407,000. The Commissioners donated from the County's general fund, while the law enforcement agencies donated from their departmental state and federal seized and forfeited asset funds. Figure 5 is a summary of County donations to Crime Stoppers for the period of January 2012 through April 2022.

Figure 5 – County Departments' Donations to Crime Stoppers by Calendar Year



General Fund Donations: Prior to 2015, Texas Local Government Code (LGC) 351.901(b) authorized counties to donate up to \$25,000 per calendar year to a crime stoppers organization. In 2015, this statute was amended to include a \$100,000 annual cap for any county with a population one million or more. Donations from the County's general fund were subject to the provisions outlined in their respective contracts with Crime Stoppers, which were all approved by Commissioners Court.

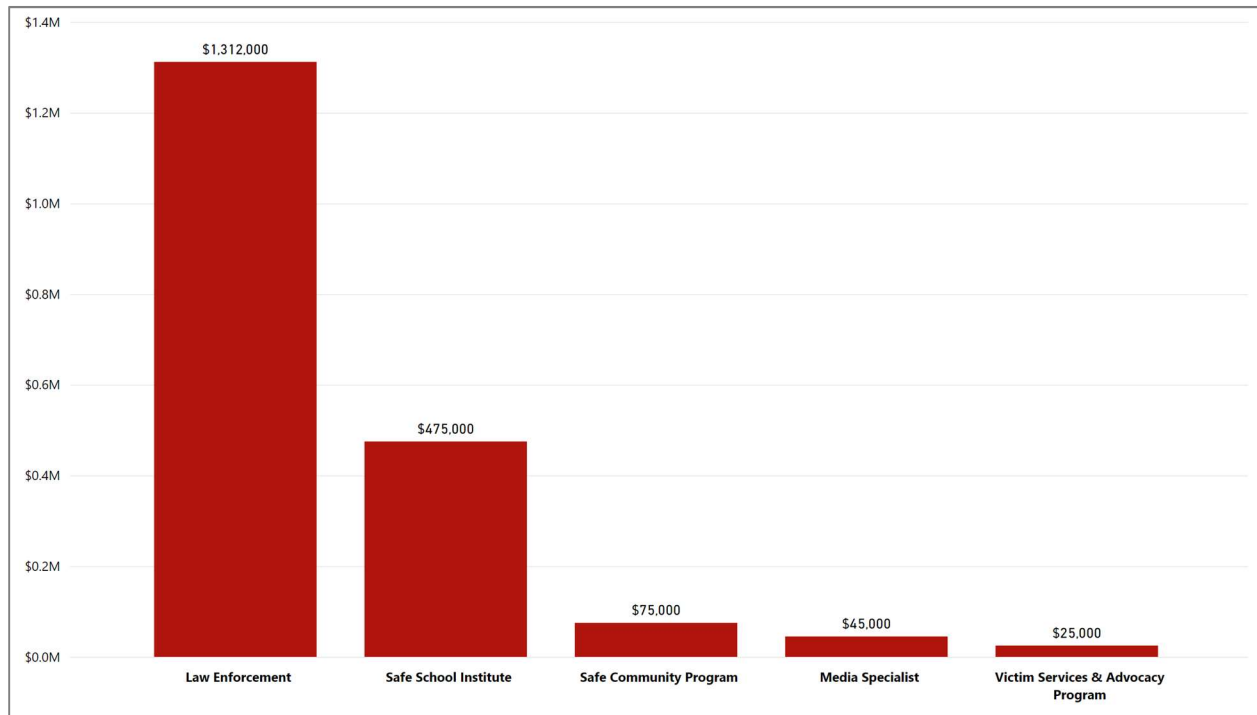
The County executed contracts with Crime Stoppers for donations sourced from the County's general funds; however, the contracts did not include specific performance language. An example of the County's broad contract language in existing contracts with Crime Stoppers is as follows: "Crime Stoppers agrees to receive and use the Donated Funds in support of its Safe Community Program. All the Donated Funds must be used in support of the Safe Community Program for programming located in Harris County, Texas."

Special Revenue Fund Donations: Donations made from the County's special revenue funds (including departmental seized and forfeited assets) are not subject to the \$100,000 annual cap prescribed in LGC 351.901(b) and do not require approval from Commissioners Court. However, the donations are subject to the restricted uses outlined in the Texas Code of Criminal Procedure

Chapters 59 and 18. Additionally, donations from the federal seized and forfeited asset funds are subject to the restricted uses outlined in the Federal Guide to Equitable Sharing, which includes an annual donation cap of \$25,000. Both sources of seized and forfeited assets are primarily restricted to law enforcement related uses, including donations to entities that support law enforcement investigations and crime prevention.

Figure 6 presents a summary of County donations to Crime Stoppers by their intended purposes as stated in the County's contract or the fund source. A more detailed breakdown of the donations by department, year, and amount is presented in **Appendix A**.

Figure 6 – Intended Purpose for Harris County Donations from January 2012 to April 2022



Jury Service Donations

In accordance with Texas Government Code § 61.003, each person who has reported for jury service has the option to direct the County Treasurer to donate all or a portion of the juror's daily reimbursement to any program approved by Commissioners Court. The juror's donation options have increased from eight (8) organizations in 2014 to 16 organizations in 2022. In addition to Crime Stoppers, a few of the other organizations include the Victims of Crime Fund, Children's Protective Services Child Welfare Service Fund, Child Advocates, Inc., and The Women's Home.

The juror donation forms are processed by the District Clerk's Office, and payments to Crime Stoppers are processed by the Treasurer's Office. From January 2012 through April 2022, the total amount of jury service donations allocated to Crime Stoppers was \$38,415 (approximately 5% of total donations), in comparison to \$784,208 to other organizations as presented below:

Figure 7 – Jury Service Donations by Calendar Year

Calendar Year	Crime Stoppers	Other Organizations
2012	\$10,109	\$106,857
2013	\$8,352	\$98,226
2014	\$5,252	\$93,857
2015	\$3,954	\$93,388
2016	\$2,436	\$79,866
2017	\$1,746	\$71,266
2018	\$2,482	\$99,560
2019	\$2,460	\$98,388
2020	\$432	\$15,006
2021	\$706	\$15,100
2022 (thru April)	\$486	\$12,694
Total	\$38,415	\$784,208

Repayment of Rewards

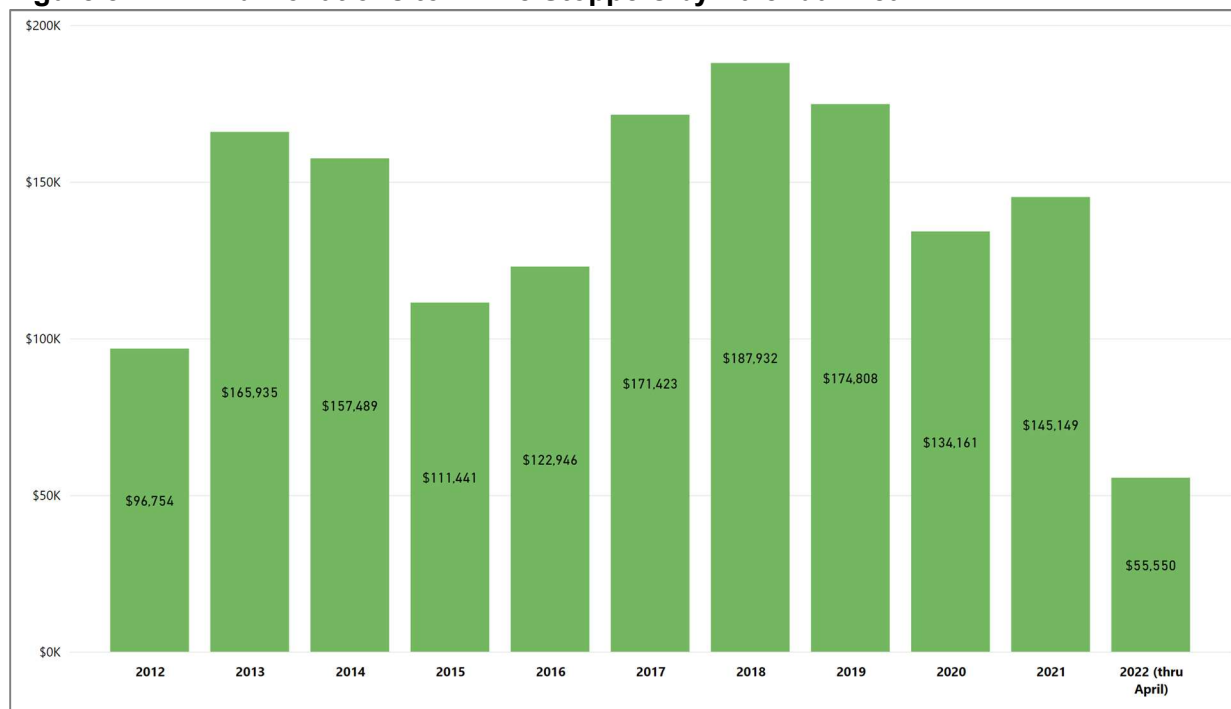
After a defendant has been convicted of a felony offense, the judge may order a defendant to repay all or part of a reward paid by a crime stoppers organization, based on the circumstances and the defendant's ability to pay. However, no repayment fines were assessed or collected during the past 10 years per the District Clerk's Office.

In-Kind Contributions

GAAP (generally accepted accounting principles) requires the fair value of donated services be recognized when the services (a) create or enhance nonfinancial assets or (b) requires specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Sheriff's Office provides 1.5 to 2 full-time equivalent positions to work with Crime Stoppers. The in-kind contributions include salary/wages, taxes, benefits, and mileage by check date provided directly for the benefit of the Crime Stoppers Tip Line Program. The Sheriff's Office provided the total in-kind donations of \$1,523,588 for the past 10 years, as presented below:

Figure 8 – In-Kind Donations to Crime Stoppers by Calendar Year



Note: Crime Stoppers provides office space for the Sheriff's Office positions.

PROCEDURE 2: UTILIZATION OF COUNTY FUNDS BY CRIME STOPPERS

PROCEDURE 3: COMPLIANCE OF DONATION EXPENDITURES

On September 1, 2022, Crime Stoppers agreed to provide the previously requested data referenced below within 30 business days. Since the data was not available prior to the finalization of this memorandum, the results of procedure 2 and 3 will be included in a future memorandum.

The Audit Division was unable to perform detailed testing of these procedures due to a lack of Crime Stoppers' documentation. Crime Stoppers chose not to provide all the documentation requested due to their record retention policy and a lack of a legal obligation. Their record retention policy requires only the current fiscal year, plus 3 years of financial records be retained. In addition, the County lacked a right-to-audit clause in most of its contracts with Crime Stoppers, which would have legally compelled Crime Stoppers to provide the information requested. The Audit Division's unfulfilled documentation requests included bank statements, reconciliations, and accounts payable information, including expenditures.

RECOMMENDATIONS

Any County department making a donation to Crime Stoppers from federal forfeited assets, in conjunction with the County Attorney's Office, when applicable, must include regulatory compliance requirements into their contracts with Crime Stoppers. Per the U.S. Department of Justice, donations to a community-based organization from federal forfeited assets have a

\$25,000 annual cap and are subject to the permissible use and sub-recipient monitoring requirements of the Federal Guide to Equitable Sharing. See **Appendix B** for a summary of the Federal Guide to Equitable Sharing.

Any County department entering into a contract with Crime Stoppers, in conjunction with the County Attorney's Office, should consider including clauses related to a right-to-audit, financial performance standards, record-keeping and retention, and/or other specific conditions, as are already included in the County's grants contracts, to ensure accountability and transparency. This contract language would enable the County Auditor, other County departments, or a firm on the County's behalf, to audit the books and records of Crime Stoppers for a certain period to validate compliance with the terms of the contract.

INTERNAL AUDIT STANDARDS

We conducted our engagement in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). The Standards require that we comply with the Code of Ethics and obtain reasonable assurance that significant risks to the activity are minimized to an acceptable level.

Appendix A

Summary of Donations to Crime Stoppers by County Department & Calendar Year														
Department	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (thru 4/22)	Total	Fund	Restricted Use
County Attorney					\$5,000							\$5,000	Department's State Asset Forfeiture Fund	Texas Code of Criminal Procedure Chapter 59
Constable Pct 1								\$15,000	\$15,000			\$30,000	Department's State Asset Forfeiture Fund	Texas Code of Criminal Procedure Chapter 59
Constable Pct 1							\$15,000					\$15,000	Department's Federal Asset Forfeiture Fund	Federal Guide to Equitable Sharing
Constable Pct 4										\$10,000		\$10,000	Department's State Asset Forfeiture Fund	Texas Code of Criminal Procedure Chapter 59
Sheriff's Office		\$100,000	\$100,000									\$200,000	Department's State Asset Forfeiture Fund	Texas Code of Criminal Procedure Chapter 59
Sheriff's Office			\$100,000	\$100,000								\$200,000	Department's State Asset Forfeiture Funds	Texas Code of Criminal Procedure Chapter 18
Sheriff's Office ^(a)										\$50,000		\$50,000	Department's Federal Asset Forfeiture Fund ^(a)	Federal Guide to Equitable Sharing & Safe School Institute*
Commissioner Pct 1					\$25,000							\$25,000	General Fund	Safe School Institute*
Commissioner Pct 2					\$25,000	\$25,000		\$50,000				\$100,000	General Fund	Safe School Institute* & Victim Ser. & Advocacy Program***
Commissioner Pct 3	\$25,000		\$25,000	\$100,000	\$25,000	\$25,000		\$25,000			\$25,000	\$250,000	General Fund	Safe School Institute* & Safe Community Program**
Commissioner Pct 4					\$25,000	\$25,000	\$25,000		\$25,000	\$25,000	\$25,000	\$150,000	General Fund	Safe School Institute* & Safe Community Program**
District Attorney		\$100,000		\$125,000	\$125,000					\$500,000	\$5,000	\$855,000	Department's State Asset Forfeiture Fund	Texas Code of Criminal Procedure Chapter 59
District Attorney	\$11,000		\$10,000							\$5,500		\$26,500	Department's State Asset Forfeiture Fund	Texas Code of Criminal Procedure Chapter 18
District Attorney		\$10,000						\$5,500				\$15,500	Hot Check Fund	Texas Code of Criminal Procedure Art. 102.007
General Fund Total	\$25,000	\$0	\$25,000	\$100,000	\$100,000	\$75,000	\$25,000	\$75,000	\$25,000	\$25,000	\$50,000	\$525,000		
Special Revenue Funds Total	\$11,000	\$210,000	\$210,000	\$225,000	\$130,000	\$0	\$15,000	\$20,500	\$15,000	\$565,500	\$5,000	\$1,407,000		
Grand Total:	\$36,000	\$210,000	\$235,000	\$325,000	\$230,000	\$75,000	\$ 40,000	\$95,500	\$ 40,000	\$590,500	\$55,000	\$1,932,000		

Note (a): Subsequent to fieldwork, the Sheriff's Office transferred \$25,000 from the Federal Asset Forfeiture Fund to the State Asset Forfeiture Fund to comply with the \$25,000 cap from the Federal Guide to Equitable Sharing.

*Crime Stoppers' Safe School Institute purpose is to keep schools safe by providing safety awareness and prevention-based training to students, school staff, and law enforcement. Students who provide usable and accurate information leading to an arrest and the filing of charges, or other appropriate action against a suspect, are eligible for payment of a cash reward.

**Crime Stoppers' Safe Community Program purpose is to prevent crime by educating citizens through in-person presentations, trainings, community events, and written material.

***Crime Stoppers' Victim Services & Advocacy Program purpose is to promote safety, healing, justice and rights for crime victims and survivors.

Appendix B

Legal Reference	Relevant Sections Only	Summary
Texas Government Code § 414.001	<p>CRIME STOPPERS ORGANIZATION MEANS. (A) a private, nonprofit organization that is operated on a local or statewide level, that accepts donations and expends funds for rewards to persons who submit tips under Section 414.0015(a), and that forwards the information received from tips to the appropriate law enforcement agency, school district, or open-enrollment charter school as provided by Section 414.0015(b); or</p> <p>(B) a public organization that is operated on a local or statewide level, that pays rewards to persons who submit tips under Section 414.0015(a), and that forwards the information received from tips to the appropriate law enforcement agency, school district, or open-enrollment charter school as provided by Section 414.0015(b).</p>	Local Crime Stoppers organizations are designed to serve as a vehicle for citizens to relay criminal information to law enforcement agencies while remaining anonymous.
Texas Code of Criminal Procedure Art. 42A.301	<p>BASIC DISCRETIONARY CONDITIONS. (a) The judge of the court having jurisdiction of the case shall determine the conditions of community supervision after considering the results of a risk and needs assessment conducted with respect to the defendant.</p> <p>(b) Conditions of community supervision may include conditions requiring the defendant to:</p> <p>(19) pay a fine in an amount not to exceed \$50 to a crime stoppers organization, as defined by Section 414.001, Government Code, and as certified by the Texas Crime Stoppers Council.</p>	<p>Total Disbursed by CSCD for 2012 - April 2022: \$3,722,618</p> <p>A judge may impose a fee not to exceed \$50 if the accused or defendant is placed on probation.</p>
Texas Government Code § 414.010	<p>PAYMENTS FROM DEFENDANTS ON COMMUNITY SUPERVISION; REWARD REPAYMENTS. (a) Except as provided by Subsection (d), a crime stoppers organization certified by the council to receive money in the form of payments from defendants placed on community supervision under Chapter 42A, Code of Criminal Procedure, or money in the form of repayments of rewards under Articles 37.073 and 42.152, Code of Criminal Procedure, may transfer not more than 20 percent of the money received during each calendar year to accounts used solely to pay costs incurred in administering the organization and shall use the remainder of the money, including any interest earned on the money, only for the payment of rewards to persons who submit tips under Section 414.0015(a). Not later than January 31 of each year, a crime stoppers organization that receives or expends money under this section shall file a detailed report with the council.</p> <p>(b) A crime stoppers organization shall establish a separate reward account for money received under this section.</p>	

Appendix B

Legal Reference	Relevant Sections Only	Summary
Texas Government Code § 414.011	<p>CERTIFICATION OF ORGANIZATIONS TO RECEIVE PAYMENTS AND REWARD REPAYMENTS. (a) The council shall, on application by a crime stoppers organization, determine whether the organization is qualified to receive repayments of rewards under Articles 37.073 and 42.152, Code of Criminal Procedure, or payments from a defendant under Chapter 42A, Code of Criminal Procedure. The council shall certify a crime stoppers organization to receive those repayments or payments if, considering the organization, continuity, leadership, community support, and general conduct of the crime stoppers organization, the council determines that the repayments or payments will be spent to further the crime prevention purposes of the organization.</p> <p>(b) Each crime stoppers organization certified by the council to receive repayments under Articles 37.073 and 42.152, Code of Criminal Procedure, or payments from a defendant under Chapter 42A, Code of Criminal Procedure, is subject to a review or audit, including financial and programmatic reviews or audits, of finances or programs at the direction of the criminal justice division of the governor's office or its designee. A copy of the review or audit report shall be submitted to the criminal justice division.</p>	
Texas Local Government Code § 351.901	<p>DONATION TO CERTAIN CRIME STOPPERS AND CRIME PREVENTION ORGANIZATIONS. (a) In this section: (1) "Crime stoppers organization" means a private, nonprofit organization or a public organization that: (A) is operated on a local or statewide level; (B) accepts donations and expends funds for rewards to persons who submit tips under Section 414.0015(a), Government Code; and (C) forwards the information received from tips to the appropriate law enforcement agency, school district, or open-enrollment charter school as provided by Section 414.0015(b), Government Code.</p> <p>(b) The commissioners court of a county by contract may donate money to one or more crime stoppers or crime prevention organizations for expenditure by the organizations to meet the goals identified in Subsection (a). The total amount of all donations made in a calendar year may not exceed:</p> <p>(2) \$100,000, for a county with a population of one million or more.</p>	<p>Total Donated by Harris County for 2012 - April 2022: \$525,000</p> <p>Currently, the calendar year threshold for Harris County donations from the general fund is \$100,000. Prior to 2015, the annual threshold was \$25,000.</p>

Appendix B

Legal Reference	Relevant Sections Only	Summary
Texas Government Code § 61.003	<p>DONATION OF REIMBURSEMENT. (a) After jury service is concluded, each person who reported for jury service shall be personally provided a form letter that when signed by the person directs the county treasurer to donate all, or a specific amount designated by the person, of the person's daily reimbursement under this chapter to:</p> <p>(4) any other program approved by the commissioners court of the county, including a program established under Article 56A.205, Code of Criminal Procedure, that offers psychological counseling in criminal cases involving graphic evidence or testimony;</p> <p>(c) The county treasurer shall:</p> <p>(3) send all donations made under Subsection (a)(3), (a)(4), or (a)(6) directly to the program or office, as applicable, specified on the form letter signed by the person who reported for jury service.</p>	<p>Total Donated by Jurors: 2012 - April 2022: \$38,415</p> <p>Jurors have the option to donate their jury service reimbursements to a qualifying organization.</p>

Appendix B

Statute	Relevant Section of Statute	Summary
Texas Code of Criminal Procedure Chapter 59	<p>Art. 59.06 (3)(d) A commissioners court or governing body of a municipality may not use the existence of an award to offset or decrease total salaries, expenses, and allowances that the agency or the attorney receives from the commissioners court or governing body at or after the time the proceeds are awarded.</p> <p>(d-1) The head of a law enforcement agency or an attorney representing the state may not use proceeds or property received under this chapter to: (1) contribute to a political campaign; (2) make a donation to any entity, except as provided by Subsection (d-2); (3) pay expenses related to the training or education of any member of the judiciary; (4) pay any travel expenses related to attendance at training or education seminars if the expenses violate generally applicable restrictions established by the commissioners court or governing body of the municipality, as applicable; (5) purchase alcoholic beverages; (6) make any expenditure not approved by the commissioners court</p> <p>(d-2) The head of a law enforcement agency or an attorney representing the state may use as an official purpose of the agency or attorney proceeds or property received under this chapter to make a donation to an entity that assists in:</p> <p>(1) the detection, investigation, or prosecution of:</p> <p>(A) criminal offenses; or (B) instances of abuse, as defined by Section 261.001, Family</p> <p>(2) the provision of: (A) mental health, drug, or rehabilitation services; or (B) services for victims or witnesses of criminal offenses or instances of abuse described by Subdivision (1); or</p> <p>(3) the provision of training or education related to duties or services described by Subdivision (1) or (2).</p> <p>(g)(1) All law enforcement agencies and attorneys representing the state who receive proceeds or property under this chapter shall account for the seizure, forfeiture, receipt, and specific expenditure of all the proceeds and property in an audit, which is to be performed annually by the commissioners court or governing body of a municipality, as appropriate. The annual period of the audit for a law enforcement agency is the fiscal year of the appropriate county or municipality and the annual period for an attorney representing the state is the state fiscal year.</p>	<p>Total Disbursed by Harris County for 2012 - April 2022: \$1,100,000</p> <p>Law Enforcement State Forfeited Funds must be used for law enforcement purposes.</p>
Texas Code of Criminal Procedure Chapter 18	<p>Art. 18.18. DISPOSITION OF GAMBLING PARAPHERNALIA, PROHIBITED WEAPON, CRIMINAL INSTRUMENT, AND OTHER CONTRABAND</p> <p>If forfeited, the court shall order the contraband delivered to the state, any political subdivision of the state, or to any state institution or agency. If gambling proceeds were seized, the court shall order them forfeited to the state and shall transmit them to the grand jury of the county in which they were seized for use in investigating alleged violations of the Penal Code, or to the state, any political subdivision of the state, or to any state institution or agency.</p>	<p>Total Disbursed by Harris County for 2012 - April 2022: \$226,500</p> <p>Certain seized proceeds must be used to investigate alleged violations of the Penal Code.</p>

Appendix B

<p>Federal Guide to Equitable Sharing</p>	<p>Except as noted in this Guide, equitably shared funds shall be used by law enforcement agencies for law enforcement purposes only.</p> <p>1. Permissible Uses</p> <p>a. Law enforcement operations and investigations—Support of investigations and operations that further the law enforcement goals or missions. Examples include reward money (annual dues paid to a crime tip organization or payment for a specific reward for information in a specific case), recruitment and advertisement costs, agency accreditation or agency membership dues (but individual dues are impermissible), equitable sharing account maintenance fees, reimbursement to the jurisdiction for payments to informants, purchase of evidence, buy-back programs, and “buy” money.</p> <p>k. Support of community-based organizations—Transfers of shared funds from a state or local law enforcement agency to community based non-profit organizations (501(c)(3) or (4)) whose stated missions are supportive of and consistent with a law enforcement effort, policy, and/or initiative. An agency may expend up to a total of \$25,000 annually to transfer to such organizations. Examples include a drug treatment facility, job skills program, or a youth program with drug and crime prevention education. The following requirements apply:</p> <ol style="list-style-type: none"> 1. Law enforcement agency head must approve the transfer and must ensure the recipient is a qualified entity; 2. Agency must ensure that all transferred funds are spent permissibly in accordance with this Guide; and 3. Agency’s jurisdiction must perform applicable sub-recipient monitoring requirements pursuant to the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. <p>C. Audit Requirements: Approved transfers to other participating law enforcement agencies and transfers to qualifying community-based organizations are subject to various subparts of the Code of Federal Regulations (CFR). The CFR requires sub-recipient monitoring to be performed by the transferring entity. The recipient entity must adhere to all sub-recipient monitoring requirements imposed on by the transferring agency. Sub-recipient monitoring includes, but is not limited to, issuing award letters to the recipient, monitoring the recipient’s expenditures for permissibility, and ensuring the recipient agency reports the received and expended funds on its annual ESAC and its jurisdiction reports the agency’s expended funds on its Single Audit. A comprehensive list of requirements are posted in the eShare Portal.</p> <p>D. Record Retention: State and local law enforcement agencies must retain all documents and records pertaining to their participation in the Program for a period of at least five years. Such documentation includes, but is not limited to, receipts and procurement documentation for all expenditures of shared funds, bank statements, Forms DAG-71 and TD F, ESACs, accounting and bookkeeping documents, logs and records, bank records and statements, and audit reports.</p>	<p>Total Disbursed by Harris County for 2012 - April 2022: \$65,000</p> <p>Law Enforcement Federal Forfeited Funds must be used for law enforcement purposes only and are subject to sub-recipient monitoring.</p>
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Texas Code of Criminal Procedure Art. 102	Art. 102.007 (a)(2) REIMBURSEMENT FEE FOR COLLECTING AND PROCESSING CHECK OR SIMILAR SIGHT ORDER (f) Reimbursement fees collected under Subsection (c) shall be deposited in the county treasury in a special fund to be administered by the county attorney, district attorney, or criminal district attorney. Expenditures from this fund shall be at the sole discretion of the attorney and may be used only to defray the salaries and expenses of the prosecutor's office, but in no event may the county attorney, district attorney, or criminal district attorney supplement his or her own salary from this fund.	Total Disbursed by Harris County for 2012 - April 2022: \$15,500 Funds may be used at the sole discretion of the attorneys, except for supplementing their own salaries.
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