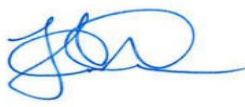




# DESCHUTES COUNTY SHERIFF'S OFFICE

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Policy Title: <b>Confidential Funds</b>	Effective Date: November 20, 2024	Policy Number: <b>3.50</b>
Accreditation Reference: 2.2.7	Review Date: November 20, 2024	Supersedes: June 30, 2016
Attachments:	 L. Shane Nelson, Sheriff	
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## I. PURPOSE

The purpose of this policy is to provide guidelines for the use of specific line item funds authorized for investigative expenses, the purchase of evidence or information, and the furtherance of criminal investigations. These funds are utilized under close scrutiny and auditing procedures to ensure their appropriate use.

## II. POLICY

It is the policy of the Deschutes County Sheriff's Office to maintain stringent control over all confidential funds used by the agency, and to ensure that the funds are used for authorized purposes. Confidential Funds are only authorized for use by investigative divisions and are managed by the Street Crimes Unit Supervisor.

## III. DEFINITIONS

*Confidential Fund* is the accounting and banking system that provides deputies with investigative expense monies.

*Confidential Fund Custodian* is the Detective Division Captain that is responsible for dispensing and monitoring the use of investigative funds by deputies.

## IV. PROCEDURES

### A. Authorized Confidential Fund Expenditure Policy

1. All expenditures of confidential funds will be recorded on a Deschutes County Sheriff's Office Confidential Funds Expense Record. Expenditures other than the purchase of evidence or information shall be recorded on a Deschutes County Sheriff's Office Expense Record and accompanied by a receipt before being submitted to a supervisor. All expense records will be submitted to the Detective's Office Assistant for recording into the Master Account Log, where the receipt number is documented. After the record has been logged, a Detective Supervisor shall receive the expense record for approval and sign the record.

Allowable expenses shall include, but are not limited to, the purchase of evidence or information and services such as rental of equipment as required; rental of motel rooms or apartments as required;

meals, lodging or other expenses incurred by informants; and other services which may be necessary to further an investigation.

- a. Individual detectives may spend up to \$200 in a single transaction for the purchase of evidence or information without advance approval from a supervisor.
  - b. A detective supervisor may authorize single expenditures up to \$500 for the purchase of evidence, information, or services.
  - c. The Detective Captain may authorize single expenditures up to \$2500.
  - d. Expenditures over \$2500 in a single transaction require the approval of the Sheriff.
2. All funds utilized in the purchase of evidence or other contraband will be photocopied or photographed. If that is not possible, under the circumstances, funds are to be prerecorded by denomination and serial number and documented in the operational plan.
  3. In the event that confidential funds are seized as evidence in a search warrant, they are to be:
    - a. documented in LERMS Property Quick Entry as seized evidence;
    - b. separated from other funds seized;
    - c. retained as evidence; and
    - d. returned to the master account after the District Attorney has released the money as evidence.They are not to be included in assets to be forfeited.

#### **B. Fund Accounting**

1. The Detective Captain shall be responsible for the safekeeping and quarterly and/or random audits of all confidential funds under his control or at the direction of the Sheriff.
  - a. The Detective Captain and/or the Business Manager will conduct quarterly and/or random audits of all funds under his control or at the direction of the Sheriff.
2. The Detective Division Supervisors and Detective's Office Assistant will maintain a Master Account Log for confidential funds to include:
  - a. A detailed accounting of confidential fund movement to include receipt of cash from the detective operating funds and individual line item disbursements. The most current balance must reflect the cash money on hand in the master account.
  - b. An itemized ledger for each detective reflecting dates and amounts of cash given to them for investigations, individual line item expenses by date and type of activity, and current balance which reflects how many investigative funds each should still have on his person.
  - c. A Detective's expense record with attached receipts as applicable.

#### **C. Storage of Confidential Funds**

1. Confidential funds shall be secured in a Sheriff's Office approved safe located in the Detective Supervisor's office. A handwritten ledger shall be maintained within the safe, documenting the balance within the safe.
2. Upon the disbursement or deposit of funds, the safe balance will be reconciled.
3. All Detective Supervisors will be issued combination codes to the safe.

#### **D. Draw and Expenditure of Confidential Funds**

1. The Detective Captain will be the custodian of the detective operating budget and will approve and distribute confidential funds from the operating budget to the Master Account of the Confidential Fund. These transactions will be documented on the Street Crimes Unit Master Log form.
2. A Detective Supervisor will approve and distribute funds to Detectives in the same manner using the Street Crimes Unit Funds Transfer form. If there are errors in completing the form, the form shall be

voided and forwarded to the Detective's Office Assistant for recording. A new form shall be completed to document the transfer.

3. ATM Account

a. The Master Account will be maintained at First Interstate Bank. The Master Account procedures will be the same as the confidential cash fund procedures. The Street Crimes Unit will be given an ATM card to be used for drawing confidential funds. Each ATM card will have the following daily withdrawal limits :

- Detective Captain: \$2,500
- Detective Lieutenant: \$1,500
- Detective Sergeant: \$1,000
- Detective: \$500

Each Street Crime Unit detective will have their name printed on their card. Each detective will assign a confidential pin number to their card. Detectives shall maintain control of their assigned card and pin number, and shall not share or allow others access to their card or pin number.

Detectives will obtain pre-approval from a supervisor prior to drawing any amount over \$500. Once approved, detectives will utilize a First Interstate Bank ATM to draw funds from the Master Account.

Detectives will print and sign their name on the ATM receipt, photocopy the receipt, and return the original receipt to the approving supervisor by the end of their workday. Detectives will retain the photocopy for their records and reconciliation. The supervisor will print and sign their name to the original receipt and submit it to the Office Assistant assigned to detectives for reconciliation.

Investigative funds that are drawn out and not utilized as intended shall be deposited back into the Master Account at First Interstate Bank within one week. Detectives will use ATM machines for deposits and print their name, sign and photocopy the ATM deposit receipt and submit to a supervisor.

ATM cards may also be utilized as debit cards for expenses incurred by informants such as meals, fuel, and other services necessary to advance an investigation. The daily spending limit for ATM cards is as stated above. Detectives will follow the same approval process as the ATM fund withdrawal process. Detectives will complete a Street Crimes Unit Funds Transfer form, obtain required signatures, and attach relevant receipts to each form.

4. All Street Crime Unit members utilizing confidential funds will maintain a ledger to account and detail all deposits and expenditures. The ledger will be kept current and include transaction dates, amounts, description, and balance. Detectives will keep confidential funds completely separate from personal funds and will make confidential funds available for inspection and/or audit at any time. Failure to present all confidential funds signed out to a detective, or signed expense records showing appropriate expenditures of those funds, will be cause for discipline.
5. All expenditures of confidential funds by detectives shall be recorded on the Street Crimes Unit Expense Record. This procedure will require the detective to submit a completed expense record to a detective supervisor, for all expended funds. The form must be completely filled out and must include:
  - a. The detective's name.
  - b. The amount and date of the expense.
  - c. What the funds were used for, to include the specific evidence purchased, the equipment or supplies purchased and/or nature of the information received.
  - d. The Deschutes County Sheriff's Office case number, if available.

- e. The printed name and signature of the person receiving the funds. If the recipient is a confidential informant, the signature should be the assumed name used by the informant and documented in the informant's file, and the form should include the informant's confidential number.
  - f. The signature of a witnessing detective or law enforcement officer.
  - g. If no person is receiving funds and there is not a witnessing detective/law enforcement officer available, a receipt is required to accompany the expense record.
6. The Street Crimes Unit Expense Record should be fully completed prior to being presented to the person receiving the funds for signature. Once the form is signed by the person receiving the funds, it cannot be altered. If there is an error in completing the form, it shall be voided and returned to the Detective's Office Assistant and a new form shall be completed.
  7. The original copy of the expense record shall be turned in to a Detective Supervisor and the Detective's Office Assistant as soon as possible. The Detective's Office Assistant distributes the copies. The white copy goes to the Master Account Log. The yellow copy is to be retained by the case detective. The pink copy is to be filed in the confidential informant file.
  8. The Detective Captain will review all expenditures to ensure that goals are being met, that funds are being used appropriately, and expenses are justified in relation to the information or investigative results obtained.
  9. A detective supervisor will review all expense records. The Detective's Office Assistant will enter the appropriate information into the confidential informant logs.

#### **E. Deposits and Transfers of Confidential Funds**

All transactions of funds shall be documented through the Master Account Log.

##### **1. Transfer of funds**

- a. Anytime a detective/ detective supervisor's account is closed or transferred, the issued investigative funds must be deposited into the Master Account.
- b. When funds are returned from the safe to the Deschutes County Finance operating line, the Detective Captain and a supervisor will withdraw the funds from the safe or ATM Account and immediately notify the Business Manager to coordinate the deposit of funds.

Anytime additional confidential funds are required from the County funds, the Detective Captain will make a request via email to the Business Manager, copying the Detective Supervisors and the Detective's Office Assistant. The Business Manager forwards the request to Sheriff's Office Accounts Payable to process the voucher to request the check. County Finance issues the check in the Detective Captain's name and returns it to the Sheriff's Office. The Business Manager transfers the check to the Detective Captain via the Street Crimes Unit Master Log. The Detective Captain and another Supervisor are required to cash the check and deposit the cash into the Street Crime Unit safe within 24 hours. In the alternative, the funds may be transferred to the ATM Account.

#### **F. "Fronting" Funds**

"Fronting Funds" is defined as the release of money to a suspect for the purchase of contraband that will be delivered at some later time or the release of money to an informant for the purchase of information that will be provided at some later time.

It is the Deschutes County Sheriff's Office policy that funds not be "fronted" to suspects or informants. If it is necessary to "front" money, prior approval shall be obtained from the Detective Captain.

#### **G. "Flash Money"**

"Flash Money" is defined as money that is shown to suspects in covert operations as a good faith demonstration of an ability to purchase contraband if and when a suspect is able to produce it.

Because a “flash” commonly involves a large amount of money, it is necessary to establish procedures for obtaining the funds and to ensure the safety of the money. In all cases when money is being used for flash purposes and the amount of the flash exceeds the detective’s available confidential fund balance, the below listed security measures will be used:

1. The requesting detective will submit a request to a detective supervisor for review. The request must include the amount of money needed, the nature of the investigation, and the estimated time the money will be needed.
2. In addition, the request must clearly articulate that the incident being investigated is a Deschutes County Sheriff’s Office case. Deschutes County Sheriff’s Office funds will not be used in support of investigations where another organization is the primary agency, without the approval of the Detective Captain.
3. The detective supervisor will review the request and, if approved and if the request does not exceed the expenditure limit of the Detective Supervisor, the funds may be dispersed by the detective supervisor.
4. If the request exceeds the expenditure limit of the detective supervisor, it will be forwarded to the Detective Captain for review and approval. If the request is approved, the Detective Captain will arrange for the acquisition of the funds in the amount of the request. In this instance, the funds will be dispersed to the Detective Captain to be released to the investigator for use in the “flash.”
5. All cash to be used as “flash money” will be either videotaped or photocopied. This procedure must record the denomination and serial number of each bill. Photocopied bills will be reduced in size and immediately marked as copies to avoid conflict with federal counterfeiting laws.
6. All monies used as “flash” will be handled only by a sworn law enforcement officer. Under no circumstances will informants or other civilians be allowed to handle or control any of the flash money.
7. The Detective Captain will ensure that adequate personnel and plans are in place to protect against the loss of any flash money.

The detective handling the money will maintain personal control of the money at all times. When the “flash” has been completed the money will be returned to the Detective Captain.

The money will be returned to the Detective Captain as soon as possible, but in the event it is necessary to keep it overnight or over a weekend, the money will be kept in the confidential funds safe. In all cases, the money will be returned to the Detective Captain to be secured in the confidential funds safe on the next working day. Under no circumstances is the money to be taken home or kept personally by any member. When funds are returned from the safe to the County Finance operating line, the Detective Captain and a supervisor will withdraw the funds from the safe and coordinate with the Business Manager to deposit funds.

8. All activities concerning the incident and use of “flash money” will be recorded on Sheriff’s Office reports. There must be written documentation of all aspects of the case including who handled the money, relevant times, where the money was kept, and when it was returned to the Detective Captain.