

GAO

Report to the Chairman, Subcommittee  
on the District of Columbia, Committee  
on Appropriations, House of  
Representatives

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November 1998

DISTRICT OF  
COLUMBIA

Metropolitan Police  
Department's Use of  
\$15 Million  
Appropriation



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**Accounting and Information  
Management Division**

B-279815

November 13, 1998

The Honorable Charles H. Taylor  
Chairman, Subcommittee on the  
District of Columbia  
Committee on Appropriations  
House of Representatives

Dear Mr. Chairman:

This letter responds to your request that we examine expenditures made by the District of Columbia Metropolitan Police Department (MPD) using \$15 million appropriated by Public Law 104-134, 110 Stat. 1321-12, enacted April 26, 1996. This report addresses (1) whether funds have been spent according to MPD's spending plan, (2) the time frame involved in spending the funds, and (3) whether the items purchased with the funds were received and distributed to the appropriate offices.

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**Results in Brief**

MPD used the funds consistent with their spending plan. Three planned and incomplete projects were deferred by the new Chief of Police in June 1998 to allow a new management team to assess law enforcement standards and accreditation requirements for these projects and decide the best method or structure to satisfy those requirements.<sup>1</sup> As a result of the deferrals and because certain items were obtained for less than the budgeted amounts, MPD was able—with the approval of the District of Columbia Financial Responsibility and Management Assistance Authority (Authority)—to reprogram residual funds to purchase additional bulletproof vests, as well as mountain bikes and associated equipment to address the new Police Chief's summer crime initiative.<sup>2</sup>

As of August 31, 1998, about \$11.1 million (73 percent of the total funds) had been disbursed from the District's General Fund, and contracts or purchase orders were in place for the remaining amount. As of September 30, 1998, the Authority had reimbursed the District's General Fund \$10.3 million from the MPD escrow account.

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<sup>1</sup>According to the June 1998 memorandum, the new Chief of Police stated that MPD plans to fund the three deferred projects using management reform funds. The District's fiscal year 1999 budget allocated \$1 million to MPD for such initiatives.

<sup>2</sup>The summer crime initiative is an effort to build a partnership between police and the community to fight crime and increase community participation in public safety issues. The new Chief of Police has designated 83 patrol service areas (PSA), or neighborhoods, where foot and bicycle patrols offer residents an increased police presence.

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Regarding the time frame involved in spending the \$15 million, the spending plan was finalized in September 1996 and the first contracts for supplies and services went to the Authority for approval in December 1996. The General Services Administration (GSA) provided MPD with contracting assistance for the remaining funds. According to MPD officials, the loss of key management personnel delayed some of the initial expenditures. In addition, the officials stated that the modernization of MPD's information technology required more time than originally anticipated—electrical problems and poor infrastructure conditions at the 57-year old headquarters building held up installation of some of the equipment ordered, resulting in further delays in spending.

MPD officials told us that the vehicles and property items purchased with the \$15 million were received and distributed to the police districts and division offices. However, we could not track MPD's inventoried items, such as patrol vehicles, motorcycles, and communication consoles, purchased with the \$15 million beyond MPD's receipt because inventory information was not completely documented or updated in either the District's asset management system or MPD's inventory records. MPD stated that it was taking corrective actions to address these weaknesses in controls over inventory and asset management systems.

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## Background

On April 26, 1996, the Congress enacted Public Law No. 104-134,<sup>3</sup> which earmarked \$15 million for the District of Columbia MPD from no year funds appropriated to the Department of Justice for "Violent Crime Reduction Programs, State and Local Law Enforcement Assistance." The law stated that the \$15 million was in lieu of funds that would have been available under the formula allocation of local law enforcement block grants. The law required that the \$15 million be deposited into an escrow account maintained by the Authority for MPD for law enforcement purposes. The law also provided that the funds be disbursed from the escrow account pursuant to the instructions of the Authority and in accordance with a plan developed by the Chief of Police after consultation with the relevant congressional committees.<sup>4</sup>

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<sup>3</sup>The Department of Justice Appropriations Act, 1996, Public Law 104-134, section 101(a), Title I, 110 Stat. 1321.

<sup>4</sup>Subcommittee on District of Columbia Appropriations, U.S. House of Representatives; Subcommittee on District of Columbia Appropriations, U.S. Senate; Subcommittee on the Departments of Commerce, Justice, State, and the Judiciary Appropriations, U.S. House of Representatives; and Subcommittee on the Departments of Commerce, Justice, State, and the Judiciary Appropriations, U.S. Senate.

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## Development of the Spending Plan

The spending plan was initially based on a series of workshops held to identify and recommend solutions to critical problems confronting the department. The workshops were directed by the former Chief of Police, with participation from both police officers and civilian members of various ranks and grades. Among the concerns expressed were the shortage of patrol cars, motorcycles, uniforms, and specialized equipment needed to conduct tactical operations and investigations. Based on these concerns, a spending plan was developed and transmitted to the congressional committees on May 29, 1996. After MPD consulted with the committees, in its letter dated September 4, 1996, the Chairmen did not object to the allocation of the \$15 million as shown in the final spending plan adopted on September 4, 1996.

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## Expenditure of the Funds

The contracts were awarded by MPD to carry out the spending plan after obtaining approval from the Authority, which has maintained a tracking report on approved contracts and purchase orders. Contracts funded in full or in part by the \$15 million have also been reviewed by the Authority for consistency with the spending plan and the availability of funds. In accordance with Public Law 104-134, the \$15 million was deposited in an escrow account of the Authority<sup>5</sup> for MPD law enforcement purposes.

Following the delivery of goods and services by vendors, payment vouchers have been prepared and certified by MPD, and payments to the vendors made from the District's General Fund. Finally, the vouchers have been batched and forwarded to the District's Treasury for verification of payment and transmitted to the Authority to request drawdown of funds from the escrow account to reimburse the District's General Fund.

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## Maintenance of the Funds

From June 4, 1996, when the Authority deposited the \$15 million in an MPD interest-bearing escrow account, through September 30, 1998, the funds in the account earned \$1.3 million in interest income. The Authority may spend the interest earned on escrow accounts on behalf of the District at its discretion.<sup>6</sup> The Authority transfers the amount of interest earned on

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<sup>5</sup>Pursuant to section 205 of Public Law 104-8, 109 Stat. 97, 131, April 17, 1995, D.C. Code Ann. sec. 47-392.5 (1995 Act).

<sup>6</sup>Section 11711(a) of Public Law 105-33, 111 Stat. 782, August 5, 1997 added Section 106(d) to the 1995 Act to allow the Authority to transfer or expend any amounts derived from interest earned on the escrow accounts held by the Authority on behalf of the District for such purposes as it considers appropriate to promote the economic stability and management efficiency of the District government. Section 106(d) also specifically provides that any amounts transferred or otherwise expended pursuant to that section may be obligated or expended without approval by Act of Congress.

the escrow account to a separately maintained interest-bearing account before it spends any of that amount on behalf of the District. As of September 30, 1998, the Authority had transferred \$911,280 in interest earned on the MPD escrow account to the separately maintained account (see table 1).

**Table 1: Summary of MPD Escrow Account (June 4, 1996-September 30, 1998)**

Type of funds	Escrow account	Interest account	Total
1996 Appropriation	\$15,000,000	\$0	\$15,000,000
Interest income <sup>a</sup>	1,341,267	0	1,341,267
Interest transferred	(911,280)	911,280	0
<b>Funds available</b>	<b>\$15,429,987</b>	<b>\$911,280</b>	<b>\$16,341,267</b>
Drawdowns—MPD reimbursement <sup>b</sup>	10,264,921	0	10,264,921
Payments to consultants <sup>c</sup>	0	508,283	508,283
<b>Account balance<sup>d</sup></b>	<b>\$5,165,066</b>	<b>\$402,997</b>	<b>\$5,568,063</b>

<sup>a</sup>Interest amount includes an estimate for interest earnings for the month of September, 1998.

<sup>b</sup>Amount excludes year end recognition of anticipated reimbursements of \$375,302.

<sup>c</sup>Amount excludes year end recognition of anticipated payments of \$124,749.

<sup>d</sup>The Authority is expected to reimburse the District's General Fund upon receipt of a request from MPD for over \$800,000 of outstanding expenditures paid from the District's General Fund but not previously reimbursed, through August 31, 1998.

Source: The Authority.

The Authority used \$508,283 from the separately maintained interest account to pay an outside consultant for ongoing work studying and making recommendations regarding MPD's organization and operations. Meanwhile, the Authority reimbursed the District's General Fund \$10.3 million from the MPD escrow account for payments made to carry out the spending plan. As of September 30, 1998, \$5.2 million remained in the MPD escrow account, including \$429,987 in interest earned and not transferred (\$1,341,267 in interest earned less \$911,280 in interest transferred to the Authority's interest account). The funds in the MPD escrow account include sufficient funds to reimburse the District for the remaining obligations related to the spending plan.

## Objectives, Scope, and Methodology

Our objectives were to (1) determine whether funds were spent according to the approved spending plan, (2) determine the time frame involved in

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spending the funds, and (3) verify whether items purchased with the funds were received and distributed to the appropriate offices.

To satisfy our audit objectives, we reviewed MPD's expenditure tracking reports on its budgeted amounts, obligations, expenditures, payments to vendors from the District's General Fund, and reimbursements from the Authority for each project, from the inception of the spending plan (September 4, 1996) through April 10, 1998. We selected 103 payment vouchers out of a total of 172 based on high dollar amounts. These 103 payment vouchers represented the material transactions and approximately 99 percent of the total dollar value of MPD-reported actual expenditures as of April 10, 1998. We examined the selected vouchers, consisting of purchase orders, invoices, and receiving reports, to verify that contracted services were rendered and inventory items and other supplies were received, placed into operation, and appropriately charged against the \$15 million. We interviewed MPD and Authority officials about procurement and payment delays and also met with Thompson, Cobb, Bazilio & Associates, the independent auditors of the Authority.

While we obtained an understanding of internal controls and management of the funds, we did not evaluate internal controls. We conducted our financial-related work from March 23, 1998, through August 31, 1998, in accordance with generally accepted government auditing standards.

We requested written comments on a draft of this report from the Chief of Police and the Chairperson of District of Columbia Financial Responsibility and Management Assistance Authority. The Chief of Police and the Authority's Executive Director provided us with comments, which are discussed in the "District's Comments and Our Evaluation" section and are reprinted in appendix I and II, respectively.

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## MPD Spent Funds According to Plan

MPD spent the funds consistent with its spending plan, as shown in table 2. Of the \$11.1 million (73 percent of the total amount) disbursed through August 31, 1998, most was used to purchase (1) patrol and unmarked vehicles with equipment, (2) cameras, (3) motorcycles, (4) computer work stations and automated equipment for the seven police districts, (5) new uniforms, and (6) bulletproof vests. Most of the remaining \$3.9 million obligated but not yet spent is for the District Cellblock Renovations<sup>7</sup> and Automated Reports projects<sup>8</sup> budgeted for \$2.2 and \$1.2 million,

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<sup>7</sup>Renovation of prisoner holding facilities in the patrol district stations.

<sup>8</sup>Investment in new information technology to automate police and administrative reports.

respectively. The funds for the automated reports project were obligated in May 1998, and the related work is expected to be completed in June 1999. The funds for the cellblock renovations were obligated in March 1998, but because design specifications had not been finalized as of September 1998, MPD was not able to provide us with a scheduled completion date.

The September 4, 1996, spending plan included 21 individual projects. Subsequently, the chiefs of police requested and the Authority approved two separate revisions that redistributed the residual and unobligated funds and added one project. The residual funds became available as a result of some projects coming in under budget and the unobligated funds that resulted from the three deferred projects. These revisions enabled MPD to purchase additional bulletproof vests in excess of the original budgeted number, as well as mountain bikes and associated equipment (project number 22) as part of the summer crime initiative.<sup>9</sup>

**Table 2: MPD's Spending Plan and Reported Use of Funds by Specific Project as of August 31, 1998**

No.	Project description	September 4, 1996 spending plan	Authority approved revisions	Revised spending plan	Reported recorded expenditures	Reported undelivered goods and services
1	WACIIS <sup>a</sup> completion	\$700,000	\$0	\$700,000	\$683,855	\$ 16,145
2	District cellblock renovation	2,172,000	0	2,172,000	544,477	1,627,523
3	Patrol vehicles w/equipment	2,000,000	66,937 <sup>f,i</sup>	2,066,937	2,029,892	37,045
4	Unmarked vehicles	1,500,000	-71,734 <sup>f,i</sup>	1,428,266	1,428,266	0
5	Network stabilization equipment	250,000	0	250,000	182,971	67,029
6	Network equipment	660,000	-4,737 <sup>i</sup>	655,263	655,263	0
7	Network security assessment	100,000	0	100,000	100,000	0
8	Distributed identification <sup>b</sup>	1,200,000	0	1,200,000	1,200,000	0
9	Automated reports <sup>c</sup>	1,200,000	0	1,200,000	0	1,200,000
10	Mobile computer terminals	1,110,000	-52,992 <sup>i</sup>	1,057,008	1,057,008	0
11	General order revisions <sup>d</sup>	70,000	-70,000 <sup>g</sup>	0	0	0
12	Library enhancements	25,000	-13,655 <sup>g</sup>	11,345	11,345	0
13	Uniforms	1,100,000	-1,156 <sup>i</sup>	1,098,844	792,686	306,158
14	Communications console	1,000,000	-184,594 <sup>h,i</sup>	815,406	815,406	0
15	Motorcycles	720,000	-911 <sup>i</sup>	719,089	719,089	0

(continued)

<sup>9</sup>See footnote 1.



No.	Project description	September 4, 1996 spending plan	Authority approved revisions	Revised spending plan	Reported recorded expenditures	Reported undelivered goods and services
16	Division allocated funds <sup>e</sup>	415,000	-73,958 <sup>i</sup>	341,042	299,907	41,135
17	Security system-headquarters	350,000	0	350,000	2,071	347,929
18	Processing cameras	221,000	0	221,000	221,000	0
19	Bulletproof vests	165,000	140,834 <sup>h,i</sup>	305,834	305,834	0
20	Surveillance equipment	30,000	0	30,000	30,000	0
21	CD-ROM system	12,000	-12,000 <sup>g</sup>	0	0	0
22	Mountain bicycles	0	277,966 <sup>j</sup>	277,966	0	277,966
<b>Total</b>		<b>\$15,000,000</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$11,079,070</b>	<b>\$3,920,930</b>

<sup>a</sup>Represents Washington Area Criminal Information and Intelligence System.

<sup>b</sup>A project to upgrade Automated Fingerprinting Information System (AFIS).

<sup>c</sup>A project that will automate the prisoner and report processing facilities.

<sup>d</sup>Revision of departmental directives to meet Commission on Accreditation for Law Enforcement Agencies (CALEA) standards.

<sup>e</sup>Funds apportioned to each patrol district and major division to relieve specific needs and shortages as requested by the individual units and approved by the Chief of Police. Items include supplies, furnishings, lockers, and minor facility repairs.

<sup>f</sup>MPD combined projects 3 and 4 and purchased the 75 marked vehicles and 75 unmarked vehicles for less than budgeted amounts resulting in a net residual of \$4,797 (see note<sup>l</sup>).

<sup>g</sup>The new Chief of Police deferred these projects and reprogrammed the budgeted funds (see note<sup>l</sup>).

<sup>h</sup>The Authority approved the former Chief of Police request that the residual amounts from the total initially designated to acquire the communication console be reprogrammed to purchase an additional 400 bulletproof vests in March 1997.

<sup>i</sup>The Authority approved the new Chief of Police request that the remaining funds from the completed projects at June 1, 1998, be reprogrammed, as requested on June 16, 1998 (see note<sup>l</sup>).

<sup>j</sup>The Authority approved the new Chief of Police request to reprogram and use the remaining funds from completed projects and unspent funds from deferred projects to purchase 187 mountain bikes and associated equipment to implement his summer crime initiative in June 1998, (see note<sup>g</sup>).

Source: MPD Finance and Budget Division.

The September 4, 1996, spending plan developed by MPD was based on estimated acquisition amounts and installation costs. Actual costs were different from the budgeted estimates as a result of various factors such as changing market conditions. Because some of the items were available for

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less than originally estimated, the difference was available for other purposes.

Project 19 on table 2 shows the \$165,000 originally designated for the purchase of bulletproof vests, plus a net of \$140,834 in residual funding that resulted from the communications console project (number 14) being completed under budget. This additional funding allowed MPD to purchase 400 vests, in addition to the 500 initially budgeted.

Project 22, in the amount of \$277,966, represents unobligated funds not used on the September 4, 1996, spending categories and deferred projects. This total consists of the net difference of \$182,311<sup>10</sup> between planned and actual amounts used for nine completed projects, plus \$95,655 that was freed up when three projects were deferred. To meet the Commission on Accreditation for Law Enforcement Agencies (CALEA)<sup>11</sup> standards, MPD had originally budgeted \$70,000 for General Order Revisions,<sup>12</sup> \$12,000 for a Re-writable CD System<sup>13</sup> to distribute training to field units, and \$25,000 for a Library Enhancement project.<sup>14</sup> These three projects were deferred by the new Chief of Police to allow a new management team to assess CALEA requirements and decide on the best method or structure to satisfy these requirements. At the time the decision was made to defer the projects, the library project had already been started and almost half the funds allocated to that project had been spent, leaving \$13,655 of the original \$25,000 available for reprogramming. The Chief of Police plans to use other management reform funds to complete these projects.

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## Time Frame for Spending the Funds

While the funds were appropriated on April 26, 1996, MPD was not ready to proceed with ordering equipment and contracting for services when the account was established in June 1996. Between April and September 1996, MPD developed and refined its spending plan and consulted with congressional committees. The first purchase orders totaling \$745,000 for

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<sup>10</sup>See item<sup>i</sup> in the Authority Approved Revisions column of table 2, for the 9 completed projects with residual funds.

<sup>11</sup>A private, nonprofit corporation formed by the voluntary participation of law enforcement agencies to (1) develop a set of law enforcement standards and (2) establish and administer an accreditation process through which law enforcement agencies could demonstrate voluntarily that they meet professionally-recognized criteria for excellence in management and service delivery.

<sup>12</sup>Revision of departmental directives to meet CALEA Standards.

<sup>13</sup>A system allowing compact disks to be erased and reused.

<sup>14</sup>This project was undertaken to establish a library at the MPD Training Academy to improve the learning environment for officers.

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lockers, shredders, printers, and cameras—projects 5, 6, 16, and 18—were received by the Authority on December 2, 1996.

In a February 5, 1997, letter to MPD, the Authority expressed concern about MPD's lack of progress in spending the remainder of the \$15 million and requested from the former Chief of Police an action plan detailing his strategy for completing the remaining procurements. In MPD's response to the Authority, the former Chief of Police attributed the lack of progress to the number of procurement levels required in the District's complex procurement process.

MPD officials cited additional reasons for the delay in expending the funds. They stated that although a spending plan was transmitted to the Congress on May 29, 1996, it was revised several times and was not finalized by the former Chief of Police until after the receipt of the views of the Chairmen of the congressional committees in the letter dated September 4, 1996. Also, changes in key management personnel resulted in a lack of leadership on the projects tied to the spending plan and in changes to the scope of work and the pace of the projects involved. For example, concurrent with management changes, specifications were rewritten for two high-cost projects—the cell block renovation and the automated reports budgeted at \$2.2 million and \$1.2 million, respectively—as well as for the new security system, budgeted at \$350,000.

The Department of Public Works (DPW) initiated an assessment of holding cells' conditions at the various districts in September 1996. However, 7 months later, MPD had decided that with its significant backlog of requests for procurement action, it would be advisable to forward all procurement actions of \$100,000 or more to the federal government's General Services Administration (GSA) to expedite the procurement process. Toward this end, a Memorandum of Understanding (MOU) between MPD and GSA was drawn up and signed by the Chief of Police, the MPD CFO, the District's CFO, the D.C. Mayor, and the Deputy Administrator of GSA in April 1997. At this point, DPW suspended work on the cellblock project.

GSA used existing federal government supply sources and assisted MPD in establishing written policies and procedures to expedite procurement actions. Of the 22 projects on the spending plan, 13 projects, valued at approximately \$9 million, were contracted using GSA-approved contracting sources. MPD re-assigned the cellblock renovation project to GSA in October 1997. MPD could not explain why it took 6 months from the MOU date to reassign this project. As of September 1998, GSA had completed the design

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phase, submitted it to MPD for review and concurrence, and was waiting for approval to proceed with contracting.

When efforts were made to contract the security system project through GSA, the cost estimate provided by GSA in September 1997 was \$850,000, which was \$500,000 higher than the budgeted amount of \$350,000. In July 1998, the project was reassigned to the Commander, Criminal Investigations Division at MPD. As of September 1998, MPD had spent \$43,172 of the \$350,000 on the security system project. The remaining amount has yet to be expended.

With the information technology projects, a senior MPD official stated that the age of the headquarters building (built in 1941) made it difficult to create workstations because the building lacked sufficient electrical outlets and adequate wiring to accommodate the system needs. Therefore, extensive refurbishing and rewiring had to be undertaken,<sup>15</sup> and this contributed to the delay in the delivery of computers and communication equipment and the payment to the contractors involved.

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## Distribution to the Appropriate MPD Offices of Items Purchased

According to MPD officials, items such as supplies, furnishings, and uniforms to be apportioned to each police district and division office are delivered to individual offices and divisions from the Property Division. Vehicles and computers are delivered directly from vendors to the Fleet Division and Information Services Division, respectively. MPD officials told us that these items were distributed to their final destinations at the police districts and division offices. However, we could not track MPD's inventoried items such as patrol vehicles, motorcycles, and communication consoles, purchased with the \$15 million beyond MPD's receipt because inventory information was not completely documented or updated in either the District's asset management system or MPD's inventory records.

In a June 10, 1998, letter to the Authority, a MPD senior official stated that currently it is not possible to track inventory items from Central Receiving to the divisions according to their funding source. The MPD official further stated that the September 1997 report of the physical inventory count<sup>16</sup> did

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<sup>15</sup>The needed electrical rewiring and improvements to the infrastructure were completed with the use of other funds from District appropriations.

<sup>16</sup>The physical inventory count was one of MPD's corrective actions to address weaknesses identified by the District auditor on the control over fixed assets as included in their 1996 Independent Auditors' Report on Internal Control Structure.

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not provide identification numbers, location of assets, or the individual accountable for high-dollar value equipment, such as patrol vehicles, or sensitive items, such as computer equipment. As a result, sufficient detailed records at the district and division offices to enable the proper tracking of assets is still not available.

In order to completely implement the District auditors' recommendations pertaining to the District's inventory and asset management systems and ensure control over all assets, MPD stated that it (1) has contracted with a vendor to undertake a full-scale physical inventory of assets for September 1998 (the detailed report complete with information omitted from the 1997 inventory report will be available in November 1998), (2) plans to obtain software upgrades to further develop and maintain a complete continuous asset management system, and (3) intends to integrate this system with the District's new financial management system in calendar year 1999.

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## District's Comments and Our Evaluation

In commenting on a draft of the report, MPD stated that it is committed to continuing improvement of its accounting, financial, and procurement systems. MPD referred to its initiatives to improve its control over inventory, pointing out that it had obtained software upgrades to further develop and maintain a complete continuous asset management system. In addition, MPD added that it has contracted with a vendor to undertake a full-scale physical inventory of assets and plans to integrate the software upgrades with the District's new financial management system in calendar year 1999.

The Authority referred to financial data it had recently provided us to update the use of the \$15 million and one additional technical suggestion, which we have incorporated as appropriate.

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We are sending copies of this report to the Ranking Minority Members of your Subcommittee and the Chairmen and Ranking Minority Members of the Subcommittees on the District of Columbia, Senate Committee on Appropriations; Senate and House Subcommittee on Commerce, Justice, State, and the Judiciary Appropriations, House Committee on Appropriations; Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, Senate Committee on Governmental Affairs; and Subcommittee on the District of Columbia, House Committee on Government Reform and Oversight. We are also

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sending a copy to the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority, the Mayor of the District of Columbia, the Chief of Metropolitan Police Department, the District Inspector General, and the Auditor of the District of Columbia. Copies will be made available to others upon request. Major contributors to this report are listed in appendix III. If you or your staff have any questions, please contact me at (202) 512-4476.

Sincerely yours,

A handwritten signature in black ink that reads "Gloria L. Jarmon". The signature is written in a cursive, flowing style.

Gloria L. Jarmon  
Director, Health, Education, & Human Services  
Accounting and Financial Management Issues

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## Abbreviations

AFIS	Automated Fingerprinting Information System
CALEA	Commission on Accreditation for Law Enforcement Agencies
CFO	chief financial officer
DPW	Department of Public Works
GSA	General Services Administration
MOU	memorandum of understanding
MPD	Metropolitan Police Department
PSA	patrol service areas
WACIIS	Washington Area Criminal Information and Intelligence System



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# Comments From the District of Columbia Metropolitan Police Department



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
METROPOLITAN POLICE DEPARTMENT

OCT 23 1998

Gene L. Dodaro  
Assistant Comptroller General  
Accounting and Information Management Division  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Dodaro:

Thank you for the opportunity to review the draft report concerning the Metropolitan Police Department's management of the \$15 million federal appropriation from the United States Congress.

The Department's Chief Financial Officer recommends that the "Results in Brief" section not simply reflect the deficiencies enumerated in the report. Instead, that section might incorporate some discussion of the efforts the Department has taken to address specific weaknesses with inventory control, as described on page 18 of the report. He suggests that the following sentence be added to the final paragraph of the Results in Brief section: "*MPD recognizes this problem and is currently working aggressively to address it.*"

See comment 1.

The Chief Financial Officer's recommendation is based on page 3 of the Results in Brief section, which states that the auditors "... could not track the MPD's inventoried items . . . because [MPD's] inventory information was not completely documented or updated . . ." On the other hand, page 18 of the report makes it clear that the Department is prepared to "... implement the District auditors' recommendations pertaining to MPD's inventory and asset management systems and ensure control over all assets . . ." The report goes on to state that MPD will implement the recommendations in the following ways: "... [MPD] 1) *has contracted* [emphasis added] with a vendor to undertake a full-scale physical inventory of assets for September 1998 . . . 2) plans to obtain software upgrades to further develop and maintain a complete continuous asset management system, and 3) intends to integrate this system with the District's new financial management system in calendar year 1999." The Department is already well underway in meeting recommendations #1 and #3, and has completed recommendation #2.

See comment 1.

I believe the Chief Financial Officer's recommendation is supported by these facts and offer it for your consideration.

P.O. Box 1606, Washington, D.C. 20013-1606

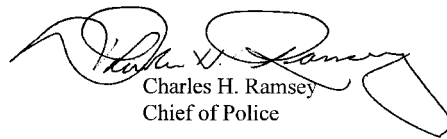
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**Appendix I**  
**Comments From the District of Columbia**  
**Metropolitan Police Department**

Gene L. Dodaro  
Assistant Comptroller General  
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You may be assured that the Metropolitan Police Department is committed to the continuing improvement of its financial, accounting, and procurement systems as it builds on the substantial progress made to date. Should there be any additional questions, your staff may contact Dan Tangherlini, MPD Chief Financial Officer, at 202-727-4321.

Sincerely,



Charles H. Ramsey  
Chief of Police

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**Appendix I**  
**Comments From the District of Columbia**  
**Metropolitan Police Department**

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The following are GAO's comments on the letter from the Chief of Police of the District of Columbia's Metropolitan Police Department dated October 23, 1998.

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**GAO Comments**

1. We added language in the report to recognize MPD's initiative.

# Comments From the District of Columbia Financial Responsibility and Management Assistance Authority

District of Columbia Financial Responsibility  
and Management Assistance Authority  
Washington, D.C.

October 23, 1998

Mr. Gene L. Dodaro  
United States General Accounting Office  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Dodaro:

This is in response to your request for comments from the District of Columbia Financial Responsibility and Management Assistance Authority ("Authority") regarding the review of the draft report of the General Accounting Office ("GAO") on the status of expenditures made by the District of Columbia Metropolitan Police Department ("MPD").

See comment 1.

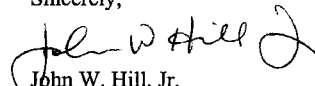
On October 7, 1998, the Authority provided the GAO with updated financial information concerning the status of the \$15 million grant fund that was held by the Authority for the benefit of the MPD. The information provided in the letter, was current through that date. It demonstrated that there was an unexpended balance of \$1.7 million. The \$1.7 million balance was to be spent on the cellblock construction project. The financial information also included a summary of the funds held by the Authority in an escrow account awaiting transfer to the District. The Authority recommends the draft GAO report be amended to include the information contained in the October 7, 1998, letter.

See comment 2.

In addition, the Authority notes that footnote six, on page six, of the GAO draft report states that Section 11711 of the National Capital Revitalization and Self-Government Act ("Revitalization Act"), amended Section 106 of Public Law 104-8, to allow the Authority to use amounts derived from interest earned on funds on deposit in escrow accounts held by the Authority on behalf of the District. Please be advised that Sections 106, as originally enacted, provided the necessary authority to expend said funds and the amendment made by the Revitalization Act clarified the power that had already been granted.

We appreciate this opportunity to provide comments. If you have questions, please contact my office.

Sincerely,

  
John W. Hill, Jr.  
Executive Director

One Thomas Circle, N.W. • Suite 900 • Washington, D.C. 20005 • (202) 504-3400

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**Appendix II  
Comments From the District of Columbia  
Financial Responsibility and Management  
Assistance Authority**

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The following are GAO's comments on the letter from the Executive Director of the District of Columbia Financial Responsibility and Management Assistance Authority dated October 23, 1998.

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**GAO Comments**

1. We had previously requested the Authority to provide updated financial data on the use of the \$15 million. We incorporated these updated financial data throughout the report.
2. The Authority's view is not supported by the language of either Section 11711(a) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33) or Section 106 of the 1995 Act.

# Major Contributors to This Report

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