



DEPARTMENT OF THE TREASURY

UNDER SECRETARY FOR TERRORISM AND FINANCIAL INTELLIGENCE

EXECUTIVE OFFICE FOR ASSET FORFEITURE
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Charles Noblin, Jr.
Sheriff
Granville County Sheriff's Office
143 Williamsboro Street
Oxford, NC 27565

Re: Reversal of Do-Not-Spend Status for Granville County Sheriff's Office

Dear Sheriff Noblin, Jr.:

On January 9, 2020, this office initiated a routine compliance review of your Treasury equitable sharing funds for your Fiscal Years 2015, 2016, 2017, 2018, and 2019. During the course of the review, we identified some concerns with regard to the receipt, maintenance and use of your Treasury equitable sharing funds. Due to these concerns, on April 22, 2020 I placed the Granville County Sheriff's Office (GCSO) in a do-not-spend status. While in a do-not-spend status, the agency was prohibited from spending any Treasury equitable sharing funds and was precluded from receiving any additional Treasury equitable sharing funds that resulted from investigations led by Treasury Forfeiture Fund participating agencies. That status was to remain in effect until the review was completed and the agency had implemented changes that provide this office with confidence that the funds will be administered in accordance with Treasury policy.

On June 8, 2020, this office completed the compliance review of the GCSO and forwarded a letter to your office. As stated in that letter, several issues pertaining to the controls and procedures associated with management of Treasury equitable sharing funds were identified and corrective actions were required. The GCSO was asked to take specific actions and to provide related documents and written acknowledgement confirming an understanding of select requirements. The issues identified during our review and the remedial actions taken by the GCSO were as follows:

Failure to Properly Account for Receipts/Expenditures

Equitable Sharing Agreement and Certification Form Issues

The GCSO has filed the Fiscal Year 2020 Equitable Sharing Agreement and Certification (ESAC) form and reported "Other Income" of \$136,253.69, as required.

Failure to Use Agency Official Financial Management System to Account for Treasury Equitable Sharing Funds, Inadequate Segregation of Treasury Equitable Sharing Funds and Failure to Properly Account for Interest Income

The Granville County Finance Department (GCFD) has established a separate bank account designated for Treasury equitable sharing funds. Records provided by the GCSO confirmed that the balance in the account is consistent with a June 30, 2019 balance of \$447,024.71, as required. This bank account is under the control of the GCFD, and the GCFD has established a unique accounting code within the official financial management system for Treasury equitable sharing funds. The agency has acknowledged that the Treasury account will serve solely for Treasury equitable sharing activity and will not be comingled with other funds.

The GCFD has calculated that \$5,732.41 in interest income should have been credited to the Treasury account and has provided the accounting to this office. This amount has also been credited to the Treasury equitable sharing accounting code and was included in total reported interest income on the Fiscal Year 2020 ESAC form.

Inability to Track Source of Funds Used to Purchase Assets

The GCSO has advised that it will utilize an asset tracking system to maintain a record of tangible property purchased with Treasury equitable sharing funds. All assets purchased with Treasury funds will be recorded in the asset tracking system. The tracking system will identify the source of funding used for the purchase and record the asset serial number. An inventory policy has been established by the GCSO, which includes annual physical inventories. The GCSO provided a copy of the most recent inventory.

Unspent Funds Held for a Prolonged Period Without Justification

The GCSO has provided a spending plan for utilization of the existing Treasury equitable sharing funds. The spending plan has identified equipment needed by the GCSO to support the law enforcement mission.

Based upon the GCSO's resolution of the identified issues, I am reversing the agency's do-not-spend status as of the date of this letter. Accordingly, the agency may now obligate and spend any Treasury equitable sharing funds currently on-hand and will receive any Treasury equitable sharing funds that result from its work with the federal agencies that participate in the Treasury program.

Thank you for the courtesy and cooperation extended to the reviewer. If you have any questions or would like additional guidance, please feel free to contact reviewer, Margaret Putman, at (301) 525-5102, or Jackie Jackson, TEOAF Equitable Sharing Program Manager, at (202) 622-2755.

Sincerely,

John M. Farley
Director