



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – April 1, 2016

Eastern District Attorney's Office

For the period July 1, 2013 through June 30, 2015





Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

April 1, 2016

District Attorney Jonathan W. Blodgett
Eastern District Attorney's Office
10 Federal Street, Fifth Floor
Salem, MA 01970

Dear District Attorney Blodgett:

I am pleased to provide this performance audit of the Eastern District Attorney's Office. This report details the audit objectives, scope, and methodology for the audit period, July 1, 2013 through June 30, 2015. My audit staff discussed the contents of this report with office management.

I would also like to express my appreciation to the Eastern District Attorney's Office for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMBump".

Suzanne M. Bump
Auditor of the Commonwealth

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY.....	2
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	4

LIST OF ABBREVIATIONS

EDA	Eastern District Attorney's Office
ISA	Interdepartmental Service Agreement
MMARS	Massachusetts Management Accounting and Reporting System
OSA	Office of the State Auditor
OST	Office of the State Treasurer

EXECUTIVE SUMMARY

The Eastern District Attorney's Office (EDA) enforces criminal law and handles civil forfeiture and certain civil commitments of persons within the jurisdiction of Essex County, including the Gloucester, Haverhill, Lawrence, Lynn, Newburyport, Peabody, and Salem District Courts. It also handles cases in the Appeals Court and the Massachusetts Supreme Judicial Court.

This audit was undertaken to review certain aspects of EDA operations related to non-personnel expenditures, administration of forfeited funds, expenditures under an Interdepartmental Service Agreement with the Executive Office for Administration and Finance related to the Dr. William A. Hinton Laboratory, and five grants that EDA participated in during our audit period, in order to determine whether EDA had established adequate internal controls and complied with applicable laws, regulations, policies, procedures, and other guidance in the areas reviewed.

Based on our audit, for the period July 1, 2013 through June 30, 2015, we have concluded that EDA had established adequate controls and complied with applicable laws, regulations, policies, procedures, and other guidance for the areas we reviewed that were related to our audit objectives.

OVERVIEW OF AUDITED ENTITY

The Eastern District Attorney's Office (EDA) was established under Sections 12 and 13 of Chapter 12 of the Massachusetts General Laws, which provide for the administration of criminal law and the defense of civil actions brought against the Commonwealth in accordance with Chapter 258 of the General Laws.

EDA is one of 11 District Attorneys' Offices located throughout the Commonwealth. District Attorneys' Offices represent the Commonwealth in most criminal proceedings brought by complaint in the district courts, as well as indictment in the superior courts. District Attorneys' Offices also represent the Commonwealth before grand juries and assist with the investigation of a variety of criminal activities, as well as providing victim/witness assistance services. Further, District Attorneys' Offices provide outreach services to local communities and schools, discussing topics such as bullying/harassment, Internet and cyber-safety programs, drug and alcohol use, and domestic violence.

As of June 30, 2015, EDA had approximately 185 employees, including prosecutors / assistant district attorneys and administrative and program personnel. EDA serves Essex County, which has more than 743,159 residents throughout its 34 cities and towns. There are 8 district courts, 4 juvenile courts, and a superior court with 3 locations in Essex County.

For the fiscal years ended June 30, 2014 and June 30, 2015, EDA received state appropriations totaling \$9,356,540 and \$9,618,216,¹ respectively. It expended \$9,353,370 of appropriations in fiscal year 2014 and \$9,617,163 in fiscal year 2015.

EDA also operates or funds community-based programs such as alcohol and drug education; prevention of physical, sexual, and mental abuse; information for victim and witness assistance; domestic-violence initiatives; child-abuse and child-fatality review; youthful first-time offender and drug-diversion programs; outreach to elderly and disabled persons; insurance-fraud investigation; and computer-crime technical support. These programs are funded by a variety of sources, including EDA appropriations, Interdepartmental Service Agreements (ISAs), drug-forfeiture funds, and various grants.

During our audit period, EDA deposited \$587,680 in court-ordered forfeited funds with the Office of the State Treasurer (OST) and disbursed a total of \$310,944 from OST's forfeited-fund account. Before funds

1. Amounts include appropriations for the maintenance of the District Attorney's operations and overtime for the state police unit assigned to the District Attorney's Office.

can be considered forfeited, a justice must issue a signed court order and the case, whether civil or criminal, must be closed.

During fiscal year 2013, EDA entered into an ISA with the Executive Office for Administration and Finance to pay the cost of EDA analyzing, investigating, and in some cases retrying closed cases in which drug evidence had been tested at the Dr. William A. Hinton Laboratory. Much of this work involved providing evidence to former defendants and the defense bar; responding to post-conviction motions filed by former defendants to withdraw their guilty pleas and/or vacate their convictions; and, where possible, negotiating resolutions.

This ISA agreed to a maximum obligation of \$832,210 for fiscal years 2013 through 2015. It was created as a result of former Governor Deval Patrick's order for immediate closure of the laboratory on August 29, 2012, due to a breach caused by a former chemist who was criminally charged on September 28, 2012 and later convicted. As of June 30, 2015, EDA had expended a total of \$830,777 from the ISA, of which \$635,915 was expended during our audit period.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of certain activities of the Eastern District Attorney's Office (EDA) for the period July 1, 2013 through June 30, 2015.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Were non-personnel expenses processed properly and with adequate supporting documentation?	Yes
2. Did EDA properly administer state forfeited funds and grants?	Yes
3. Did EDA expend the appropriation related to the Dr. William A. Hinton Laboratory in compliance with the terms and conditions of the Interdepartmental Service Agreement (ISA) associated with the appropriation?	Yes

To achieve our objectives, we gained an understanding of the internal controls we deemed significant to our audit objectives and evaluated the design and effectiveness of those controls. In addition, we performed the following procedures:

- We interviewed EDA's chief of Administration and Finance, special counsel, budget specialist, and other staff members and reviewed relevant documents, statutes, and regulations, as well as EDA's policies, procedures, and accounting records.
- We reviewed EDA's prior audit report (No. 2009-1257-4T) to determine whether any weaknesses in internal controls had been identified that pertained to our current audit objectives.
- For state forfeited-fund revenue, we selected a nonstatistical random sample of 35 receipts from EDA's cash-receipt records, out of a population of 515, to determine whether forfeited cash was processed properly in compliance with Section 47 of Chapter 94C of the General Laws and whether it was supported by adequate documentation.

-
- For non-personnel expenses, including those from state forfeited funds, we examined the entire population of checks cashed from a local bank account (525 checks) and chose a judgmental sample of 50 checks based on materiality, expense description, and payee. We wanted to determine whether disbursements were properly processed; supported by source documentation; and compliant with Section 47 of Chapter 94C of the General Laws, if applicable.
 - For rental of office space, we reviewed all lease agreements, and payments totaling \$1,404,916, to determine whether the payments agreed with the lease terms and whether the leases were approved by the Division of Capital Asset Management and Maintenance.
 - For forfeited-fund credit-card expenses, we used a nonstatistical random sample and selected 5 out of the 25 charges that were incurred during our audit period to determine whether the expenditures were properly processed, supported by source documentation, and allowable under Section 47 of Chapter 94C of the General Laws.
 - We reviewed payroll expenditures and administrative costs charged to the Dr. William A. Hinton Laboratory appropriation. For payroll expenditures, we chose the calendar quarter ended December 27, 2014 to determine whether the amounts charged to the ISA were allocated properly, paid at the correct salary rate, and supported by time records. We reviewed the other calendar quarters for reasonableness to determine whether the amounts charged were less than the budgeted payroll amounts in the ISA. For non-payroll expenditures, we chose 10 out of 76 expenses on a nonstatistical random sample basis to determine whether they were processed properly, had adequate supporting documentation, and were compliant with the ISA.
 - We reviewed payroll expenditures and administrative costs charged to five grants awarded to EDA during our audit period (grants related to the Building Partnerships for the Protection of Persons with Disabilities Initiative, Victims of Crime Act, and Sexual Assault Intervention Network, as well as the Substance Abuse Prevention and Treatment Block Grant and the Edward J. Byrne Memorial Justice Assistance Grant). For payroll expenditures, we chose one calendar quarter per grant to determine whether the amounts charged to the ISA were allocated properly, paid at the correct salary rate, and supported by time records. We reviewed the other quarters for reasonableness to determine whether the amounts charged were equal to or less than the budgeted payroll amounts in the ISA. For non-payroll expenditures, we chose 7 out of 339 disbursements to vendors, using a judgmental sample based on materiality, expense description, or payee. The dollar value of the 7 disbursements reviewed made up 41% of the total vendor disbursements. We wanted to determine whether disbursements were properly processed; supported by source documentation; and in accordance with their respective ISAs.

Based on OSA's most recent data-reliability assessment of the Massachusetts Management Accounting and Reporting System (MMARS) and our current comparison of source documentation with MMARS

information, we determined that the information obtained from the MMARS accounting system for our audit period was sufficiently reliable for the purposes of our audit work.²

We generally used nonstatistical sampling to help us achieve our audit objectives and therefore did not project our results to the various populations.

2. In 2014, OSA performed a data-reliability assessment of MMARS. As part of this assessment, we tested general information-technology controls for system design and effectiveness. We tested for accessibility of programs and data as well as system change management policies and procedures for applications, jobs, and infrastructure.