

Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

May 3, 2024

Legislative Joint Auditing Committee
Senator David Wallace, Co-Chair
Representative Jimmy Gazaway, Co-Chair
500 Woodlane Street, Suite 172
Little Rock, AR 72201

Members of the Legislative Joint Auditing Committee:

This letter reports law enforcement agencies' calendar year 2023 compliance with the asset seizure and forfeiture requirements of Ark. Code Ann. § 26-57-247. Arkansas Code (Code) provides forfeiture procedures for tobacco products upon which the full amount of excise tax due was not paid or which were possessed or sold by an unlicensed wholesaler or retailer. In addition, the property and money used to facilitate a criminal violation of Code for the manufacture or distribution of contraband tobacco products may be seized and forfeited to the State.

According to Arkansas Tobacco Control (Agency), one tobacco-related asset seizure occurred in calendar year 2023. The Agency did not include the mileage on the confiscation report for the vehicle that was seized, which is required by the Code. The Agency was notified of the noncompliance.

The Agency response indicated the following actions were being taken to ensure that all confiscation reports completed in the future will be reviewed for completeness:

- Investigation Division Agents were trained on Ark. Code Ann. § 26-57-247 on April 11, 2024. Please note that this was before the discovery of the Legislative Audit findings. The Agents were retrained on the confiscation report individually by their supervisor post this discovery.
- The Agency now has a directive that requires annual retraining and training for new employees of the Investigations Division.
- The Agency now also has a multi-level process for checking the report for accuracy and completeness.

Additionally, Arkansas Legislative Audit staff followed up on one seizure that was outstanding in the prior year to ensure compliance with Code requirements. The seizure occurred on April, 8, 2019, and included \$17,361. A delay in disposition is typically caused by extenuating circumstances beyond the control of the custodial agency. In this instance, the attorneys from the Prosecuting Attorney's Office who were over the case were allowed to withdraw from the case because they were no longer employed by the Prosecuting Attorney's Office.

As of the review date, the cash was being held in the Prosecuting Attorney's Drug Task Force Assets Forfeiture Holding Fund pending disposition.

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A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

KWW:jwd

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