

May 15, 2019

Jamie Moffitt
Vice President for Finance and Administration / Chief Financial Officer

Vice President Moffitt:

The enclosed report contains the results of the UOPD Firearms Inventory Audit completed by our office.

Based on our review, all firearms purchased by the UOPD are accurately accounted for. Our recommendations, which are detailed in the results section of the report, are intended to contribute to ensuring the effectiveness of the process. We have also included management's responses, along with their corrective action plans, which we will follow-up during fiscal year 2020.

Please feel free to contact the Office of Internal Audit ("Internal Audit") if you need any additional information or would like to discuss the findings presented in this report. We would like to thank the UOPD for their time, cooperation, and continued dedication to the University of Oregon.

Sincerely,



Trisha Burnett, CPA, CIA, CFE
Chief Auditor

Enclosure

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UOPD

Firearms Inventory Audit

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ABOUT THE OFFICE OF INTERNAL AUDIT

Driven by the highest professional and ethical standards, the Office of Internal Audit (“Internal Audit”) helps the University of Oregon (the “University”) accomplish its objectives by evaluating and identifying opportunities to improve the effectiveness of governance processes, risk management, and internal controls.

STATEMENT OF ASSURANCE

In Internal Audit’s professional judgement, sufficient and appropriate procedures have been conducted and evidence gathered to support the conclusions contained in this report. Conclusions are based on conditions as they existed at the time of the audit and are only applicable to the scope and time period covered by this audit.

AUDIT TEAM

Trisha Burnett, Chief Auditor, Office of Internal Audit

Katie Bumgardner, Associate Auditor & Operations Manager, Office of Internal Audit

REPORT DISTRIBUTION

Michael Schill, President, University of Oregon

Angela Wilhelms, Secretary of the University, Board of Trustees

Kevin Reed, Vice President / General Counsel

Andre LeDuc, Associate Vice President for Safety & Risk Services / Chief Resilience Officer

Matthew Carmichael, Chief of Police

Jason Wade, Police Captain

EXECUTIVE SUMMARY

At the request of the Chief of Police, an inventory audit of the firearms (including but not limited to pistols, rifles, shotguns, revolvers, and TASERS, collectively referred to as “Firearms”) owned by the University of Oregon Police Department (the “UOPD”) was included on the audit plan for fiscal year 2019 (“FY19”). The audit focused on evaluating the accuracy of the UOPD Firearms inventory, and to assess the efficiency and effectiveness of the UOPD inventory processes. The UOPD is currently comprised of forty-one employees, twenty-four of which carry Firearms. The objective of the audit was to evaluate the accuracy of the UOPD Firearms inventory, as well as to assess the efficiency and effectiveness of the UOPD inventory processes. The scope of the audit included gaining an understanding of the UOPD Firearms inventory processes, reviewing policies and procedures, and verifying the completeness and accuracy of the purchase and inventory records of all Firearms owned by the UOPD. Based on work performed, all Firearms owned by the UOPD are tracked and accounted for. However, Internal Audit identified opportunities to improve the design and operation of certain inventory processes, which are outlined in detail in the Observations, Recommendations, and Responses portion of this report. Additionally, testing revealed non-compliance with the ATF regarding the classification of TASER’s.

BACKGROUND

At the request of the Chief of Police, an inventory audit of the Firearms owned by the UOPD was included on the audit plan for fiscal year 2019 (“FY19”). The audit focused on evaluating the accuracy of the UOPD Firearms inventory, and to assess the efficiency and effectiveness of the UOPD Firearms inventory processes.

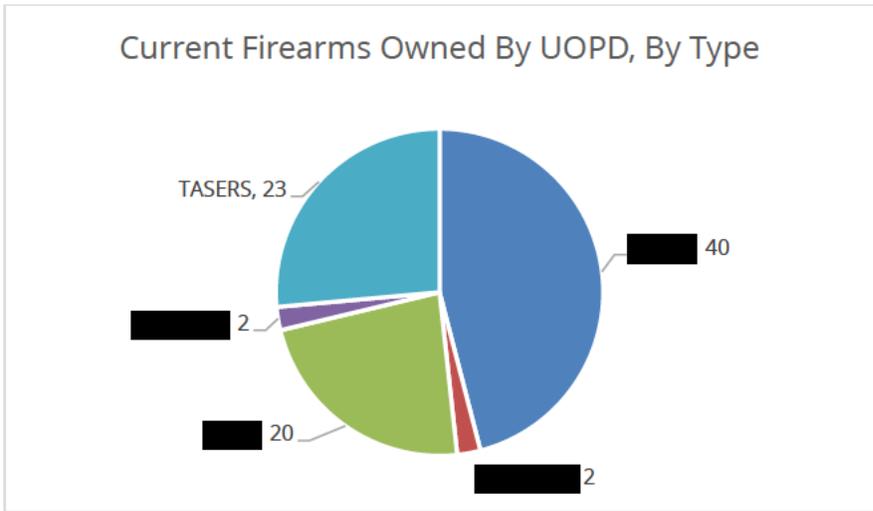
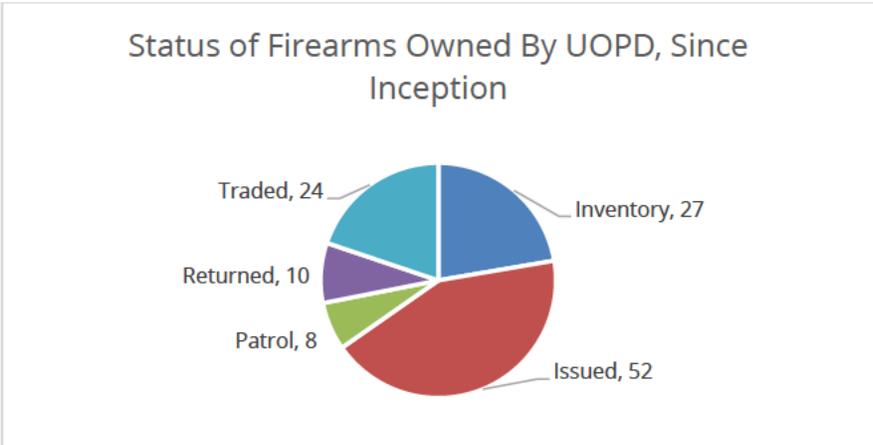
Internal Audit utilized rules and regulations enforced by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (the “ATF”), the standards set by the Oregon Accreditation Alliance (“OAA”), and the internal control model for the University, Committee of Sponsoring Organization (“COSO”) [Appendix A]. According to the ATF, a firearm is “any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive.” The ATF has determined that the device, known as a TASER, is a weapon and notwithstanding the fact that the barbs and wires remain attached to the hand-held device after expulsion, these items are projectiles within the meaning of the statute. Since the projectiles are expelled by the action of an explosive, the weapon is a firearm under 18 U.S.C. 921(a)(3)(A) [Appendix B].

Prior to becoming a police department on January 1, 2012, the UOPD was the Office of Public Safety. Since that time, the UOPD has experienced a near complete turnover. The UOPD is currently comprised of forty-one employees, twenty-four of which carry Firearms.

The UOPD utilizes the L.E.A. Data Technologies Equipment Inventory Tracking Database (the “Database”) to track all Firearms, excluding TASERS, owned by UOPD. When a Firearm, excluding TASERS, is purchased by the UOPD, the Armorer receives the Firearm and documents three (3) photographs of the serial number: 1) the serial number as listed on the label located on the outside of the Firearm’s case, 2) the serial number as stamped on the right side of the frame, and 3) the serial number stamped on the butt of the Firearm (if applicable). The Firearm is then entered into the Database and assigned to a location (e.g. issued to an officer, utilized for patrol, housed in inventory). TASERS are tracked in a separate shadow system.

OBJECTIVE AND SCOPE

The objective of the audit was to evaluate the accuracy of the UOPD Firearms inventory, as well as to assess the efficiency and effectiveness of the UOPD Firearms inventory process. The scope of the audit included gaining an understanding of the UOPD Firearms inventory process, reviewing policies and procedures, and verifying the completeness and accuracy of the purchase and inventory records of all Firearms owned by the UOPD.



METHODOLOGY

To accomplish the objectives, Internal Audit reviewed policies and procedures, conducted interviews and walk-throughs with key process owners within the UOPD, and reviewed relevant documentation. Additionally, Internal Audit conducted a detailed review of all Firearms, currently or previously owned by the UOPD, in order to verify the completeness and accuracy of the applicable purchase, disposition, and inventory records.

RESULTS

Based on interviews with UOPD personnel and review of relevant documentation, all Firearms owned by the UOPD are tracked and accounted for. However, Internal Audit identified opportunities to improve the design and operation of certain Firearms inventory processes, which are outlined in detail in the Observations, Recommendations, and Responses portion of this report. Additionally, testing revealed non-compliance with the ATF regarding the classification of TASER's.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. TASER CLASSIFICATION

CRITERIA

Per ATF Rul. 76-6, "the term "firearm" as used in 18 U.S.C. 921(a)(3)(A) includes 'any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive.' The Bureau has determined that the device is a weapon and notwithstanding the fact that the barbs and wires remain attached to the hand-held device after expulsion, these items are projectiles within the meaning of the statute. Since the projectiles are expelled by the action of an explosive, the weapon is a firearm under 18 U.S.C. 921(a)(3)(A)."

OBSERVATION

According to the ATF, a TASER is categorized as a Firearm, notwithstanding the fact that the barbs and wires remain attached to the TASER after expulsion. The UOPD does not classify the TASER as a Firearm as it is less than lethal. As the UOPD does not classify the TASER as a Firearm, TASER's are not included in all of the current UOPD Firearms inventory processes. For example, the UOPD utilizes the Database to track all Firearms owned by UOPD, with the exception of TASER's which are tracked in a separate shadow system. Additionally, the TASER purchase records are housed within Finance and Administration Shared Services ("FASS"), while the remaining Firearms purchase records are housed within UOPD. Lastly, the UOPD Policy manual sets for different policies regarding Firearms and TASER's.

RECOMMENDATION

In order to comply with ATF rules, management should include TASERS in all current and future Firearms inventory policies and procedures, including but not limited to acquisition, inventorying, and disposition.

MANAGEMENT RESPONSE

UOPD Management agrees with this recommendation. The TASER Conducted Energy Weapon will be incorporated into current and future UOPD policies and procedures that govern the management of Firearms.

Target Completion Date: 01-01-2020

2. AUTHORITY AND RESPONSIBILITY

CRITERIA

COSO states that management should establish structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives. Authority and responsibility should be delegated based

*on demonstrated competencies, and roles defined based on responsibility for decision-making.
(Principle 3)*

OBSERVATION

There are no policies that assign authority or responsibility over the acquisition, inventory, or disposition of Firearms (including TASERS). Additionally, per UOPD Policy 313 (Firearms), the Rangemaster/Range Master is granted authority and charged with certain responsibilities pertaining to the storage of Firearms. However, the title of Rangemaster/Range Master is not a position within the UOPD, and the duties have fallen to the Administrative Captain. The duties of Rangemaster/Range Master, or duties pertaining to the inventory of Firearms, are not explicitly outlined in the Administrative Captain's job description.

RECOMMENDATION

UOPD personnel responsible for the inventory process for Firearms should be identified, their roles and responsibilities should be defined, and expectations should be clearly communicated. Position descriptions should be updated, both in the UOPD records and within MyTrack, to reflect these Firearms inventory process responsibilities. Position descriptions should be updated as job duties and responsibilities change and should be reviewed on an annual basis for accuracy.

MANAGEMENT RESPONSE

UOPD Management agrees with this recommendation. UOPD will update the position description of Administrative Captain to include the duties of Rangemaster, which will be defined by policy.

Target Completion Date: 01-01-2020

3. FIREARMS PROCEDURES

CRITERA

COSO states that management should deploy control activities through policies that establish what is expected and procedures that put policies in action. Management should ensure that policies and procedures support daily activities, responsibility and accountability for executing policies and procedures has been established, monitoring that controls are performed in accordance with policies and procedures, and policies and procedures are reassessed. (Principle 12)

The OAA Standards state that a written directive which establishes procedures for inventory control of agency property, equipment, or other assets should be in place. (OAA 1.6.3)

OBSERVATION

The UOPD Policy Manual was established in July 2018, however the UOPD does not have documented procedures related to the inventory process for Firearms. Additionally, there are no documented procedures related to the acquisition of Firearms, disposition of Firearms, or when a Firearm is converted from evidence to agency use.

RECOMMENDATION

Policies related to the inventory process for Firearms should be established and/or documented. Policies should be communicated and easily accessible to those who have authority and responsibility over the inventory of Firearms.

Procedures related to the acquisition, inventorying, disposition, and conversion of Firearms should be established and/or documented. Procedures should be communicated, and easily accessible, to those who have responsibility for executing them. A continuous reassessment of the policies and procedures should take place to ensure they are effective, efficient, and relevant.

MANAGEMENT RESPONSE

UOPD Management agrees with this recommendation. UOPD will formalize in policy the inventory control process for firearms owned by UOPD. UOPD shall develop procedures to document the acquisition, inventorying, disposition, and conversion of any firearms owner by UOPD.

Target Completion Date: 01-01-2020

4. ACQUISITION RECORDS

CRITERIA

COSO states that management should obtain or generate and use relevant, quality information to support the internal control framework. Management should ensure a process is in place to identify information required and needed to support the components of internal controls and achievement of objectives. Management should ensure that information systems process and transform data into information that is timely, accurate, complete, accessible, verifiable and retained. (Principle 13)

OAA Standards state that the organization must perform a formal, periodic examination and checking of accounts or financial records to verify their correctness. (OAA 1.6.2)

OBSERVATION

Since the UOPD was established in 2012, one hundred twenty-one (121) Firearms have been acquired by the UOPD. Acquisition records could not be identified for eighteen (18) of the 121 firearms. Of the 18, fourteen (14) have been traded-in for credit, three (3) were converted from evidence for agency use, and one (1) is currently issued to an officer. It should be noted that the

firearms that lack purchase records had been in the UOPD inventory since the tenure of the previous Chief of Police, and since that time, the UOPD had experienced near complete turnover.

Additionally, of the eighty-seven (87) Firearms currently owned by the UOPD, three (3) Firearms cannot be tied to a purchase record, and two (2) Firearms are tied to purchase records with incorrect information (serial numbers). It should be noted that the discrepancy is located on the vendor invoice, and that the information that is housed within the Database maintained by the UOPD is correct.

Lastly, of the 87 Firearms currently owned by the UOPD, four (4) Firearms have been converted from evidence to agency use/received via court forfeiture. There is no record of this process, or documentation of the conversion taking place.

RECOMMENDATION

Management should implement an effective and efficient purchase record retention process, and work with FASS on potential solutions.

Management should create and maintain records for any and all Firearms that have been converted from evidence to agency use.

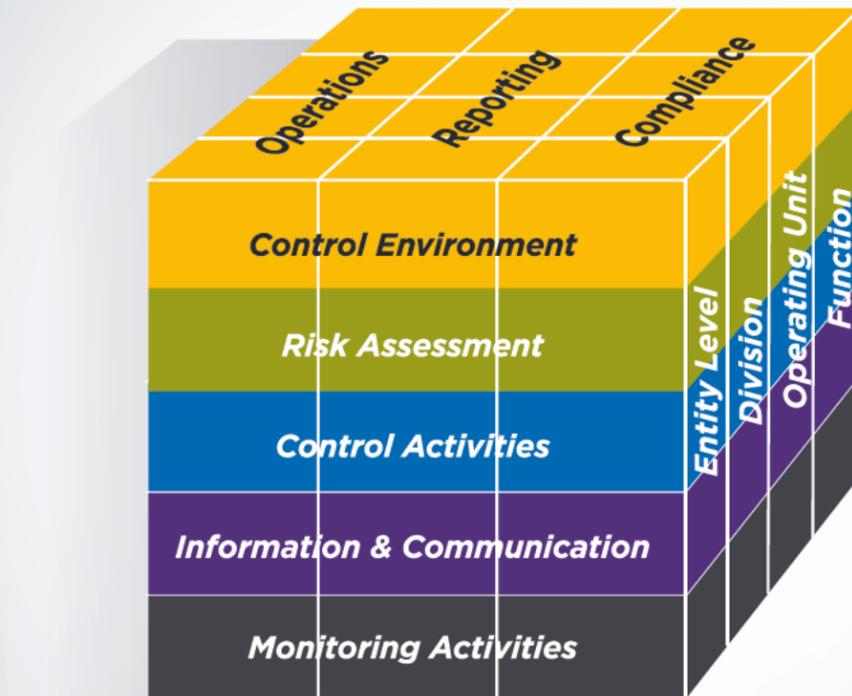
Lastly, management should verify the serial numbers of purchased Firearms against those listed on the vendor invoice. Any discrepancies should be noted on the vendor invoice.

MANAGEMENT RESPONSE

UOPD Management concurs with this recommendation. UOPD will develop and implement, with assistance from FASS, a procurement process for all UOPD Firearms.

Target Completion Date: 01-01-2020

COSO Internal Control — Integrated Framework Principles



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Control Environment

- 1 The organization demonstrates a commitment to integrity and ethical values.
- 2 The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- 3 Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- 4 The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- 5 The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Risk Assessment

- 6 The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
- 7 The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
- 8 The organization considers the potential for fraud in assessing risks to the achievement of objectives.
- 9 The organization identifies and assesses changes that could significantly affect the system of internal control.

Control Activities

- 10 The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- 11 The organization selects and develops general control activities over technology to support the achievement of objectives.
- 12 The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Information & Communication

- 13 The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
- 14 The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- 15 The organization communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring Activities

- 16 The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- 17 The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Appendix B

27 CFR 178.11: MEANING OF TERMS (Also 179.11)

A hand-held device designed to expel by means of an explosive two electrical contacts (barbs) connected by two wires attached to a high voltage source in the device classified as a firearm.

ATF Rul. 76-6

[Status of ruling: Active; Amplified by ATF Rul. 80-20]

The Bureau has been asked to determine the applicability of Titles I and II of the Gun Control Act of 1968 (Chapter 44 of Title 18 U.S.C., and Chapter 53 of Title 26 U.S.C. (National Firearms Act)) to a device known as the Taser, a hand-held device designed to expel by means of an explosive two electrical contacts (barbs) connected by two wires attached to a high voltage source in the device. Upon contact with an individual, a high voltage electrical charge is carried to the barbs by the wires which temporarily immobilizes the victim.

The term “firearm” as used in 18 U.S.C. 921(a)(3)(A) includes “any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive.” The Bureau has determined that the device is a weapon and notwithstanding the fact that the barbs and wires remain attached to the hand-held device after expulsion, these items are projectiles within the meaning of the statute. Since the projectiles are expelled by the action of an explosive, the weapon is a firearm under 18 U.S.C. 921(a)(3)(A).

With respect to the National Firearms Act, the term “any other weapon” in 26 U.S.C. 5845(e) generally means a weapon or device capable of being concealed on the person from which a shot can be discharged through the energy of an explosive. Such term does not include a pistol or a revolver having a rifled bore, or rifled bores, or weapons designed, made, or intended to be fired from the shoulder and not capable of firing fixed ammunition. Since the Taser meets the statutory definition, it is an “any other weapon” (26 U.S.C. 5845(e)).

Held, a hand-held device designed to expel by means of an explosive two electrical contacts (barbs) connected by two wires attached to a high voltage source in the device is a “firearm” within the purview of 18 U.S.C. 921(a)(3)(A). It is also an “any other weapon” under the National Firearms Act (26 U.S.C. 5845(e)).

In order to allow persons manufacturing and dealing in such weapons to comply with the provisions of Chapter 44 and 27 C.F.R. Part 178, this ruling will be applicable to such weapons manufactured within the United States on or after May 1, 1976. Such weapons manufactured before May 1, 1976, will not be treated as subject to the provisions of Chapter 44 and 27 C.F.R. Part 178. With respect to the “any other weapon” classification under the National Firearms Act, pursuant to 26 U.S.C. 7805(b), this ruling will not be applied to such weapons manufactured before May 1, 1976. Accordingly, such weapons manufactured on or after May 1, 1976, will be subject to all the provisions of the National Firearms Act and 27 CFR Part 179.