



GENERAL ORDER

Loudoun County Sheriff's Office

Chapter: Operations	Section: 411.14
Subject: Investigations	Topic: Confidential Funds
Accreditation: OPR.02.06, 03.04	Revised:
Enacted: 12/07/2016	Reaffirmed:
Last Review: 12/06/2016	Review: 07/30/2017

I. PURPOSE

The purpose of this General Order is to establish guidelines for the use of confidential funds budgeted by the Loudoun County Sheriff's Office for the furtherance of investigations and recovery of properties and/or contraband.

II. POLICY

It shall be the policy of the Loudoun County Sheriff's Office to include in its budget confidential funds to support the operations of its vice, narcotics, and organized crime functions. While the primary intent of the confidential fund is to support the vice, narcotics, and organized crime efforts of the Criminal Investigation Division (CID), these funds will be made available and used to support any investigative and enforcement operation of the agency, at the discretion of the Sheriff. Confidential funds shall be received, recorded, and disbursed in such a manner as to ensure justification and accountability.

III. PROCEDURE

A. Procurement and Recording of Funds:

1. The direct responsibility for receiving, recording, maintaining, and disbursing confidential funds rests with the Supervisor of the Tactical Enforcement Unit of the Criminal Investigation Division. The Tactical Enforcement Unit Supervisor shall continually monitor the demand and utilization of confidential funds in order to prepare budgetary requests and forecast future needs. All budgetary requests shall be forwarded through the CID Commander to the Sheriff for approval and inclusion in the Agency's annual operating budget.
2. The Tactical Enforcement Unit Supervisor shall maintain a master accounting ledger detailing all transactions dealing with confidential funds, to include receipt of funds, disbursements of funds, date of transactions, nature of transaction, person receiving funds, etc. The ledger shall be maintained in accordance with basic accounting principles, and shall indicate current balance on-hand. The Criminal Investigation Assistant Division Commander shall review the ledger for accuracy and type of transactions on a monthly basis.

- B. Disbursement of Confidential Funds:
1. The Tactical Enforcement Unit Supervisor will disburse funds to Detectives assigned to components of the section as appropriate and in accordance with policy. Request from Detectives for issuance of funds must be made on a "Criminal Investigations Confidential Funds Expenditure" form (LCSO Form 40), prior to payment.
 2. When funds are issued, the section supervisor shall make the following entries in the confidential funds master accounting ledger and receipt:
 - a. Log and case number of transaction;
 - b. Date of transaction (disbursement, receipt, etc.);
 - c. Name of deputy receiving funds;
 - d. Amount of transaction;
 - e. Reason for transaction (information, expense, etc.);
 - f. Name/signature of issuing supervisor;
 - g. Subsequent law enforcement action (arrest, charges) shall be noted on the "Criminal Investigations Confidential Funds Expenditure" form in the comment area; and
 - h. Informant's name, and/or control number, if any.
 3. In addition, the log number (transaction number) shall be recorded on the "Criminal Investigations Confidential Funds Expenditure" form for cross-reference. The appropriate copy of the form shall be retained and filed by the supervisor in accordance with this order, with other copies placed in the investigative case file, and a copy to the receiving/requesting Detective.
 4. When funds are returned by a Detective, for whatever reason, the supervisor shall log the funds back in using the same procedure as for newly received monies. When said funds are returned, they shall be re-deposited into the original source account. Petty cash funds shall be placed back into petty cash, and checking account funds shall be placed back into the checking account. These two accounts shall be separate and monies not mixed between the two.
 5. Confidential funds are to be returned if not used within 48 hours, unless

prior approval was given by the CID Commander or his/her designee.

C. Detective Responsibility - Expenditure of Funds:

1. Detectives assigned to components of the Tactical Enforcement Unit shall be issued a predetermined amount of money to be used for incidental expenditures in the furtherance of an investigation. Situations where such funds may be used include, but are not necessarily limited to the following:
 - a. Purchase of alcoholic beverages, meals, or other investigative supplies, while meeting with a potential suspect, informant, or other person for the purpose of gathering intelligence information and/or attempting to procure contraband with prior supervisory approval.
 - b. Non prearranged purchases of small amounts of controlled substances, stolen property, contraband, and/or other articles or services that constitute criminal activity or may be of interest to the enforcement efforts of the Sheriff's Office.
 - c. Admission fees, transportation services, highway tolls, incidental items for potential sources of intelligence/information in the furtherance of an ongoing or potential investigation (i.e., - cigarettes, sodas, narcotics paraphernalia, etc.).
 - d. Funds expended for situations such as those listed above shall be reported to the Tactical Enforcement Unit Supervisor as soon as practical. The affected Detective shall complete and submit a "Criminal Investigations Confidential Funds Expenditure" form to the Section Supervisor for accounting purposes and replenishment of funds. If the incidental expenditure was in the form of spontaneous payment of funds to a confidential informant (C.I.), a receipt must be signed by the C.I. and submitted for inclusion in their file as soon as possible.
2. Detectives should exercise restraint and a great deal of discretion in the use of incidental monies, since the majority of such expenditures will not be verified by receipts or tangible merchandise.
3. The incidental funds allotted to Detectives are not intended to be utilized for prearranged purchases of contraband, controlled substances, or payments to informants. Such disbursements will under normal circumstances require prior approval and allocation of funds.
4. At no time are incidental funds, County credit cards or any other County

funds to be used for personal consumption.

5. When during the course of an investigation, it becomes necessary to make prearranged purchases of contraband, controlled substances, stolen property, illegal/illicit services, etc., and/or payments to confidential informants, it is necessary for the Detective involved to inform the Tactical Enforcement Unit Supervisor in order to get approval for such a transaction and receive sufficient funds. Requests for monies to be used in this context will be made on a "Criminal Investigations Confidential Funds Expenditure" form, detailing all required/pertinent information. The Section Supervisor shall receive, review, record and disburse funds, as appropriate, in accordance with section III, B, of this directive.
 - a. Upon receipt of confidential funds under this section, the Detective shall be given the pink copy of the expenditure form for his records, the yellow copy shall be placed in the C.I.'s file (if applicable), and the original shall be placed in the confidential funds file maintained by the Section Supervisor.
 - b. All payments of funds to confidential informants shall be documented by a signed receipt executed by the source and witnessed by the issuing Detective and at least one other law enforcement officer. Said receipt shall be forwarded as soon as possible to the section supervisor for inclusion in the C.I.'s file.
 - c. When the funds are used to purchase contraband, the yellow copy of the expenditure form shall be placed in the appropriate narcotics case file. In the event that an informant payment is also involved in the same transaction, two separate expenditure forms will be executed, one for the buy money and one for the informant funds.

D. Authority to Disburse Funds - Limitations:

1. In order to maintain strict control over the use and integrity of the confidential funds appropriated to the Sheriff's Office, the following guidelines apply to the amount that may be expended-
 - a. Up to \$2,000.00: The Tactical Enforcement Unit Supervisor may approve and disburse as appropriate, in accordance with the other provisions of this order.
 - b. \$2,000.00-\$5,000.00: Approval must be granted by the Criminal Investigations Division Commander or Assistant Division Commander for disbursement of such funds.

- c. More than \$5,000.00: Approval must be granted by the Sheriff or, in the absence of the Sheriff, the Chief Deputy, for disbursement.
 - d. Approval to exceed limits requires written documentation (email, memo, etc). A verbal approval to exceed is acceptable but must later be followed up with written documentation.
2. At any time, if questions of appropriateness arise, or the Tactical Enforcement Unit Supervisor, the Criminal Investigation Division Commander or Assistant Division Commander is unavailable, the Sheriff's approval may be sought.
 3. From time to time situations will arise which require that large amounts of money be accessible to the Enforcement Unit and/or CID to be used in furtherance of an investigation. An example of such a situation would be where thousands of dollars are needed as "flash money" for a buy-bust deal. In such a situation, the Tactical Enforcement Unit Supervisor shall, through the proper chain of command, inform the CID Commander of the proposed transaction and the need for excessive funds. The CID Commander shall evaluate the situation, and if he determines that such an approach is appropriate, he shall contact the Sheriff for approval. The Sheriff will then contact the County Treasurer and request that such funds, as necessary, be made available for temporary use. When such funds are acquired from the County Treasurer, the CID Commander shall formulate detailed plans, ensuring that every effort is made and every security precaution is taken to ensure the safe return of all monies.
 4. When requests for confidential funds come from a component of the Sheriff's Office other than the Tactical Enforcement Unit, such a request must be approved by the Sheriff or his designee, prior to issuance by the Tactical Enforcement Unit Supervisor.
 5. While the Supervisor of the Tactical Enforcement Unit has direct control and security of the confidential funds, the CID Commander, Assistant Division Commander and the Sheriff may also authorize disbursement of funds, in the event of an emergency or if the Section Supervisor is not available.

E. ACCOUNTING PROCEDURES:

1. The Tactical Enforcement Unit Supervisor shall on a bi-weekly basis audit the incidental funds issued to each Detective assigned to his or her section, to ensure that such funds are available and to seek replenishment as needed.

The intent is to avoid situations where funds are depleted over a period of time and not replenished. Such a situation, if allowed to occur, would defeat the purpose and intent of the allowance. Discrepancies shall be immediately reported to the CID Assistant Division Commander and forwarded up the chain of command. In addition, the supervisor shall prepare a quarterly report for the CID Commander detailing expenditures by members of their component, and indicating if additional funds are needed.

2. The Section Supervisor shall prepare quarterly reports pertaining to expenditures. Said quarterly reports, along with the records and ledger shall then be presented to the Commander of CID for review. Any discrepancies detected shall be immediately addressed and corrective measures taken. Should the discrepancies be of great significance, the CID Commander shall immediately notify the Sheriff.
3. At least annually, the Sheriff shall inspect the accounting records pertaining to the confidential funds for accuracy and compliance with this General Order. The Sheriff, at his discretion, may appoint an agency member familiar with standard accounting procedures to conduct said audit on his behalf, and report the findings to him.
4. In addition, the CID Commander, the Sheriff, or his designee may at any time conduct an unannounced audit of the records, ledgers, files, etc., relating to the confidential fund.
5. The confidential funds appropriated to the Sheriff's Office shall be kept in a legitimate banking institution and drawn upon as needed. Monies withdrawn and kept on hand by the Tactical Enforcement Unit Supervisor shall be kept in a secure place at all times. Only amounts deemed necessary for day to day operations shall be maintained on-hand.