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**Mid-States Organized Crime Information Center®**

**Confidential Expenditures  
Operating Guidelines**

**Subject:** Confidential Expenditures

**Purpose:** To set forth MOCIC policy and procedures for control and use of confidential funds by MOCIC member agencies.

**Section A GENERAL**

1. Confidential funds on hand at MOCIC will be maintained in a federally insured banking institution approved by the MOCIC Director. Confidential funds will be assigned a readily identifiable accounting code to insure an audit trail. The account will be administered by the MOCIC Comptroller, a bonded employee.
2. The MOCIC Director and Deputy Director approve expenditures of confidential funds. Requests over \$5,000 require MOCIC Executive Committee approval (See section B-8).
3. The Director and Deputy Director make confidential funds available to member agencies as timely as possible, dependent upon availability of funds, the Center's operational needs and requirements of the request being considered.
4. All MOCIC and member agency records relating to confidential fund expenditures are subject to audit or inspection by designated MOCIC employees, MOCIC independent auditors and the United States Department of Justice.

**FILED**

November 2004 8 2010

**MARY JO SPINO  
COUNTY CLERK**

Section B POLICY

1. It shall be the policy of the Mid-States Organized Crime Information Center (MOCIC) to only approve and expend confidential funds to full membership agencies for purposes of (1) Confidential investigative expenses and/or services of undercover officers and/or informants; (2) Evidence and/or contraband and; (3) Purchase of specific informant information. MOCIC may support these categories when the particular merits of a program/investigation warrant the expenditure of these funds and when the requesting agencies are unable to obtain sufficient funds from other sources.
2. Each MOCIC member agency requesting confidential funds to purchase services, evidence, contraband and/or specific information from informants must maintain confidential files containing the actual names, assumed names and signatures of all informants to whom payments of confidential funds have been made. Pictures and fingerprints of the informant payee should also be maintained along with other information (See section D-5).
3. MOCIC and each member agency using confidential funds will be responsible for insuring that all funds requested are used in furtherance of MOCIC objectives and all transactions are accurately and fully accounted for by written documents, and that funds are properly safeguarded and secured.
4. Member Agency Executive or Representative must approve their agency's request for confidential funds prior to a request being submitted to MOCIC. Requesting agency may contact the MOCIC Deputy Director or Comptroller for information. No reimbursement of funds will be granted, even though an expenditure may be consistent with an approved request, if expenditure is made prior to approval.
5. MOCIC confidential funds will not be approved to fund Sting-type operations. Sting-type operations are defined as major anti-fencing activities under the cover of a storefront to buy stolen property and thereby

eliminate the trafficking in same. This is differentiated from the purchase of stolen property from specifically identified persons to prove their involvement in a crime or to establish the involvement of a particular group in a crime which is allowed within these guidelines.

6. MOCIC monies may not be held as evidence for any legal proceeding. The Member Agency must agree that in the event MOCIC monies are seized, frozen or otherwise held as evidence for any legal proceeding, the Member Agency will reimburse the amount of the held monies to MOCIC from other sources.
7. MOCIC confidential funds will only be expended when felony criminal activity of suspects or organizations under investigation involves at least two cooperating jurisdictions and is within MOCIC targeted crime areas.
8. BY ACCEPTING MOCIC CONFIDENTIAL FUNDS, MEMBER AGENCIES AGREE TO SUBMIT CRIMINAL SUSPECTS, AND/OR ORGANIZATIONS INVOLVED IN THIS INVESTIGATION, AS INTELLIGENCE IS DEVELOPED, TO THE MOCIC/RISSINTEL DATABASE. SUBMISSION OF CRIMINAL SUSPECTS INITIALLY IDENTIFIED IS REQUIRED PRIOR TO FUNDING (See Attachment #7).
9. The MOCIC Executive Committee has appointed a Confidential Expenditures Subcommittee which must approve requests from member agencies in excess of \$5,000. The MOCIC Director may approve a request of funds up to \$5,000 and the Deputy Director may approve requests up to \$1,000.
10. The MOCIC Executive Committee has established as policy that member agencies who utilize confidential funds in multi-jurisdictional investigations should make every effort to recover those funds through court ordered restitution and return same to MOCIC. Also, when member agencies are recipients of forfeited assets in MOCIC funded investigations, MOCIC's confidential funds should be returned and MOCIC should be considered in the division of such forfeitures beyond the original amount granted.

Section C PROCEDURE

1. Requests must be in writing. Operational details considered upon receipt of confidential funds requests are outlined in Paragraph #2 below. If an inquiry is made by telephone, the member should be prepared to discuss these items. Completed request with other required documents (intelligence submissions - Attachment #7 and Confidential Funds Agreement - Attachment #8) may be faxed (417-883-2154) followed by original through U.S. mail.
2. Information requested below is intended to assist the MOCIC staff and Executive Committee in evaluating requests for confidential expenditures:
  - (a) Describe criminal activity; i.e. identification of problem.
  - (b) Operational plan or investigative strategy.
  - (c) Participating agencies (include MOCIC members and nonmembers). Support can only be granted for multi-jurisdictional investigations.
  - (d) Participating agency contributions (manpower, equipment, cash).
  - (e) Amount of money needed. **SUBMIT LINE ITEM BREAKDOWN.**
  - (f) Confidential funds are limited and provided only when other sources are unavailable. Statement as to need required.
  - (g) Estimated time frame for investigation.
  - (h) MOCIC equipment needed, if any.
  - (i) Name of contact officer and his/her address and phone number.

- (j) Reimbursement to MOCIC is required if there is court ordered restitution, asset forfeitures or seizures. Consideration of further sharing of seized assets is requested. Please include statement.
- (k) Establish an informant file for CI's receiving money provided by MOCIC. Funds can be used for this purpose, however, certain regulations apply including inspection of your file established for this individual(s). (See Section D-5)
- (l) Submission to the MOCIC/RISSIntel database of targeted suspects in this investigation is a requirement of assistance. Use the MOCIC RISSIntel Criminal Database Submission Form (See Attachment #7).
- (m) Member Agency's Representative or Executive should sign request and agency head, along with other individuals, must sign the attached AGREEMENT (See Attachment #8).

3. Money Transfer/Required Receipts and Progress Reports

The MOCIC Comptroller will disburse confidential funds to member agencies only with the approval of the Director or Deputy Director. The Comptroller, after conferring with the Director or Deputy Director and the member agency, will endeavor to advance funds only to cover the immediate needs of the approved investigation. The Comptroller will send various receipt forms that are required. Upon receipt of funds, the member agency will sign and return a receipt (Attachment #1). This receipt process will be repeated each time moneys are transferred. Every 30 days an accounting of funds spent (see Attachment #5-Confidential Funds Monthly Reconciliation Report) along with expenditure receipts (see Attachment #3, #4A, and #4B) must be mailed to the MOCIC Comptroller. Also, every 30 days, a case status report (See Attachment #6) must be completed and returned to MOCIC. Please note: This report is cumulative and should include all statistics from the inception of the case not just statistics for the month.

4. Extension Requests - If the investigation's operational phase has not been concluded as estimated in the original request, a request for extension must be made to MOCIC. At this time, all required reporting must be current.
5. MOCIC funds are usually advanced to the agency head, representative member or contact officer who is the case agent or supervisor. The individual responsible for the disbursement of MOCIC confidential funds at the member agency level should be one of the individuals listed above. For security purposes, there should be a 48-hour limit on the amount of time funds advanced for expenditure may be held outstanding by officers assigned to the investigation. If it becomes apparent at any point with the 48-hour period that the expenditure will not materialize, then the funds should be returned to the advancing supervisor as soon as possible. The supervisor that approved the advance may grant an extension to the 48-hour limit. Factors to consider in granting such an extension are the amount of funds involved, the degree of security under which the funds are being held, how long an extension is required, and the significance of the expenditure. Such extensions should be limited to 48 hours. Beyond this, the funds should be returned and re-advanced, if necessary. Regardless of circumstances, within 48 hours of the advance the fund supervisor should be presented with either the unexpended funds, an executed voucher for payment for allowable expenses, or written notification to management from the supervisor that an extension has been granted.
6. Funds are not to be retained by member agencies for a longer period of time or in larger amounts than required for approved investigations. Should no expenditures occur in a 30-day period, unspent moneys should be returned to MOCIC unless specific approval is granted, and this approval documented in the MOCIC project file. Retention of funds for purposes of evidence for a legal proceeding will not under any circumstances be approved.
7. Flash Money - Cash which is intended to be shown, but not given to a suspect is called "flash money." The maximum amount permitted for a transaction shall be \$50,000. Due to the added risk involved, member agencies must advise in writing as to the type and level of precautions to be taken to safeguard funds.

8. Recipients of confidential funds are subject to periodic on-site inspections or audits of agency records pertaining to the expenditure of said funds to ensure that such records reconcile with those submitted to MOCIC and that the investigation is being conducted in accordance with MOCIC policy and within the approved plan. MOCIC field staff are required to complete a progress report on any open assisted case when conducting an on-site visit at a member agency receiving confidential funds.

**Section D INFORMANTS**

1. **Payments - General** - Please read the following section carefully:
  - (a) Informant-related confidential expenditures should be based on specific approved activities and services performed.
  - (b) Expenditures to or by an informant must be documented by appropriate receipts (See Attachment #3).
  - (c) Expenditures must be related to the proposal which MOCIC has approved for the use of confidential funds.
2. **Amounts** - Payment to informants of MOCIC confidential funds is limited to the amount agreed upon between the member agency and MOCIC at the time the request is approved. Requests for modifications to approved plans may be made to MOCIC in writing.
3. **Procedure** - The case agent and/or officer shall obtain a receipt from the informant payee upon each disbursement (Attachment #3). The receipt must be signed by the payee, the case agent/officer making payment and witnessed by a second officer. The receipt must also be signed by the supervisor authorizing payment.

4. Every 30 days, and also upon completion of the operation, an accounting of expended confidential funds will be made to MOCIC. This accounting should be submitted as follows:

- (a) Purchase of Services, Information, Evidence or Contraband by Officer - Receipts submitted by sworn officers for services from vendors when available are reconciled on the officer reimbursement voucher (Attachment #4A). Receipts for the purchase of information, evidence or contraband by a sworn officer, use Attachment #4B.
  
- (b) Purchase of Services, Evidence, Contraband or Specific Information by/from Informant - The original signed receipt (Attachment #3) from the informant payee with a description detailing the services, evidence, contraband and/or specific information received will be forwarded to MOCIC. MOCIC will compare the informant signature on the receipt with the informant signature submitted on Attachment #2.

*MOCIC reviews expenses and other information submitted and identifies any discrepancies. Discrepancies must be resolved by the member agency.*

*Also, every 30 days, a case status report (See Attachment #6) must be completed and returned to MOCIC. Please note: This report is cumulative and should include all statistics from the inception of the investigation, not just statistics for the month.*



5. Files - Documentation

Each informant file should include the following information:

- (a) Informant Payment Record, kept on top of the file. This record provides a summary of informant payments.
- (b) Informant Establishment Record, including complete identifying and locating data, plus any other documents connected with the informant's establishment.
- (c) Current photograph and fingerprint card.
- (d) Agreement with cooperating individual(informant).
- (e) Copies of receipts for purchase of information.
- (f) Copies of all debriefing reports.
- (g) Copies of case initiation reports bearing on the utilization of the informant.
- (h) Copies of statements signed by the informant.
- (i) Any administrative correspondence pertaining to the informant, including documentation of any representations made on his behalf or any other non-monetary considerations furnished.
- (j) Any deactivation report or declaration of an unsatisfactory informant.

6. Location

Informant files are always to be located at and maintained by the member agency.

MOCIC is prohibited from keeping informant files in the context outlined above and only maintains information necessary to document informant expenses and performance.

**Section E FORMS AND INSTRUCTIONS**

To carry out the purposes and intent of these procedures, which in part are mandated by the U.S. Department of Justice, the MOCIC Director may issue supplementary instructions and create or modify forms as needed for confidential fund usage and documentation.

## AGREEMENT CONCERNING ACCEPTANCE OF CONFIDENTIAL FUNDS

The following agreement is executed on behalf of Jackson Co Sheriff's Office hereinafter "the Member Agency", and Mid-States Organized Crime Information Center, a Missouri corporation, hereinafter "MOCIC," for the purpose of obtaining and utilizing MOCIC confidential funds.

The undersigned Member Agency accepts the confidential funds under the following terms and conditions. These terms and conditions constitute a legally binding agreement between the Member Agency and MOCIC as it relates to the receipt and utilization of the confidential funds herein denominated:

- 1) The Member Agency agrees to comply with the procedures outlined in MOCIC Confidential Expenditures Operating Guidelines. The Member Agency will familiarize itself with these procedures. Every 30 days and upon completion of the investigation, the Member Agency shall furnish MOCIC with relevant statistical data (Attachment #6) and proper receipts on forms provided and other reports (RE: Confidential Expenditure Guidelines, Attachments #1 - #7).
- 2) The Member Agency agrees that information concerning any suspect or organization, derived from the investigation for which said confidential funds are received, and consistent with MOCIC input criteria, will be submitted immediately to the MOCIC database (RE: Intelligence Submission Report - Attachment #7).
- 3) The Member Agency certifies that it has attempted to secure funds to support this investigation from other sources and that none are available.
- 4) The Member Agency agrees that funds, which cannot be used as approved, will immediately be returned to MOCIC. The Member Agency agrees that funds may not be used for any investigation other than the one specified in this request and further, that funds may not be used for items not specifically approved by MOCIC.
- 5) MOCIC monies may not be held as evidence for a legal proceeding. The Member Agency agrees that in the event MOCIC monies are seized, frozen or otherwise held as evidence for any legal proceeding, the Member Agency will reimburse the amount of the held monies to MOCIC from other sources.

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- 6) The Member Agency agrees that it must make application for an extension of time, in writing to MOCIC, if this project cannot be completed in the time originally approved by MOCIC.
- 7) The Member Agency agrees that if additional funds are required, a supplementary request in writing to MOCIC will be made. The request for additional money will be evaluated by MOCIC against the availability of funds and other requests pending.
- 8) The Member Agency agrees that in the event MOCIC monies are lost or stolen, it shall notify the MOCIC Director or Deputy Director immediately and an investigation will be initiated jointly by MOCIC and the Member Agency to determine the circumstances surrounding the loss. The Member Agency shall continue efforts to recover the funds and the written results of the investigation will be forwarded to MOCIC. If, at any time, it is determined by the Director of MOCIC and/or the Executive Committee of MOCIC that the loss occurred due to the negligence of the Member Agency, the Member Agency agrees to reimburse MOCIC for the missing funds.
- 9) The Member Agency agrees that it will maintain confidential files of the true names, assumed names, and signature of informants who will receive confidential funds from MOCIC. These files will also contain copies of expenditure receipts, pictures, fingerprints, working agreements with informants and other information outlined in the MOCIC Confidential Expenditures Operating Guidelines. The Member Agency agrees that informant files may be verified and audited by MOCIC staff and the U.S. Department of Justice (BJA).
- 10) In the event monies are seized and forfeited to the Member Agency as a result of this investigation, the Member Agency will reimburse the MOCIC confidential funds account from those forfeited funds. Consideration will be given by the Member Agency to sharing forfeited assets with MOCIC on a proportional basis with other participants.
- 11) The Member Agency agrees to economize wherever possible in this investigation in an effort to achieve optimum cost effectiveness and agrees that monies received from this request will be used in furtherance of MOCIC objectives, which includes information sharing and cooperation among member law enforcement agencies.

The above constitutes the full and complete agreement between the Member Agency and MOCIC regarding the confidential funds denominated herein and no other representations have been made by either party hereto regarding the rights and obligations created by this document or relating to the contents hereof.

APPLICATION FOR FUNDS REQUEST AUTHORIZED AND THIS AGREEMENT

EXECUTED BY:

Michael C Sharp

3/3/2010

Agency Head/Executive Member

Date

A. Kelley

3/3/2010

MOCIC Representative Member

Date

Debra L. Smith

3/3/2010

Supervising Officer/Contact Officer

Date

JACKSON COUNTY, MISSOURI

By:

Michael D. Sanders

Michael D. Sanders, County Executive

APPROVED AS TO FORM:

By:

William G. Snyder

William G. Snyder, Acting County Counselor

ATTEST:

By:

Mary Jo Spino

Mary Jo Spino, Clerk County Legislature