

Performance Audit 25-04: Chattanooga Police Department Property/Evidence Unit

December 2025

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

December 19, 2025

To: Mayor Tim Kelly
City Council Members

Subject: CPD Property/Evidence Unit Audit (Report #25-04)

Dear Mayor Kelly and City Council Members:

The attached report presents the results of our audit of the Chattanooga Police Department (CPD) Property/Evidence Unit (PE Unit). While the PE Unit has established fundamental controls, we have identified opportunities for improvement. Our recommendations address these areas by proposing actions to alleviate space constraints, implement climate controls, conduct an inventory reconciliation, implement barcoding and development of additional key performance indicators.

We thank the management and staff of the PE Unit for their cooperation and assistance during this audit.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
Kevin Roig, Chief of Staff
Mande Green, Chief Operating Officer
John Chambers, Chief of Police
Kyle Moses, Lieutenant
Justin Mitchell, Property Supervisor
Jim Arnette, Tennessee Local Government Audit

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AUDIT PURPOSE

This audit was conducted in accordance with the Office of Internal Audit's 2025 Audit Agenda. The objective of this audit was to determine if CPD maintains adequate control procedures and physical security over property and evidence taken into police custody.

BACKGROUND

The CPD PE Unit is responsible for the management and chain of custody for all property and evidence taken into police custody. The Unit's operations adhere to standards established by Tennessee law, the Commission on Accreditation for Law Enforcement Agencies (CALEA), the International Association for Property and Evidence (IAPE), and CPD Policy Manual OPS-17.

Evidence Submission and Intake: Recovered and seized property must be submitted to the PE Unit immediately, but no later than the end of the officer's shift. Officers are strictly prohibited from retaining items in patrol cars without written supervisor approval. Case officers are required to prepare, and the PE Unit technician is required to process all necessary intake forms and documentation, including the initial property/evidence submission form. Additional forms may be required based on the type of property/evidence submitted and the requested processing.

Records Management and Security: To maintain a secure chain of custody and inventory tracking, the PE Unit uses the TriTech Software Systems Electronic Records Management System (RMS). The property and evidence database contains descriptive information on all items stored within the facility. System access is limited to authorized personnel, and the capability to make changes within the database is strictly limited to Police Property Technicians.

Physical Facility and Capacity: The PE Unit is currently located in a fifty-year-old, 29,526 square foot building that is shared with other CPD units. Warehouse and office space allocated for the PE Unit is approximately 9,200 square feet. In addition to the interior space, the Unit manages an approximate 1.4-acre confiscation lot where vehicles and other large items are impounded as evidence in ongoing investigations. There is also a storage shed outside the unit's facilities, which is used to store found items (such as homeless backpacks) for safekeeping.

Statistics

A summary of the PE Units recent transactions are as follows:

Month	Number of Items		
	Received	Destruction or Returned to Owner	Net Difference
September 2024	1,264	245	1,019
October 2024	968	219	749
November 2024	830	403	427
December 2024	777	637	140
January 2025	1,163	727	436
February 2025	931	929	2
March 2025	1,169	379	790
April 2025	962	387	575
May 2025	1,321	1,532	(211)
June 2025	1,159	1,344	(185)
July 2025	1,497	2,203	(706)
August 2025	914	949	(35)
Total	12,955	9,954	3,001

Source: Property/Evidence Unit Monthly Report

Summary: Over the 12-month period from September 2024 to August 2025, the PE Unit processed 12,955 items into custody and disposed of 9,954 items (returned to owner or destroyed). This resulted in a net addition of 3,001 items to the total inventory, indicating an increase in the volume of stored property which directly contributes to the current overcrowding challenges.

FINDINGS AND RECOMMENDATIONS

Adequate Warehouse Space

We found that the PE Unit storage facility is operating at an overcrowded capacity. Items were observed being stored on the floor in several reviewed aisles. This clutter creates a safety hazard and

impedes movement, posing a safety risk contrary to OSHA standards for safe warehouse operations.¹

Additionally, Bay #6 and the Homicide Room, which both store a considerable amount of evidence, lack climate control (temperature and humidity regulation). In addition, Bay #6 has an exposed ceiling. We observed visible deterioration of evidence packaging in the non-climate-controlled areas.

The lack of sufficient storage space and climate control creates both safety and legal risks for the department:

- **Safety Risk:** Cluttered floors and aisles increase the risk of an employee slip, trip, or fall, as documented by the warehousing industry's higher-than-average fatal injury rate.²
- **Evidence Integrity Risk:** The non-climate-controlled environment in Bay #6 and the Homicide Room introduces a high risk that evidence, particularly biological or electronic items, could be degraded by environmental factors. This degradation can lead to the potential suppression of critical evidence in court.
- **Operational Risk:** Overcrowded conditions increase the time required to locate and retrieve evidence, resulting in substantial operational inefficiency and potential court delays.

Recommendation 1:

We recommend the PE Unit develop a formal plan to alleviate space constraints by prioritizing the systematic review and disposition of all property eligible for release, and minimizing items stored on the floor in the aisles to ensure compliance with OSHA requirements.³

Auditee Response: We concur with the audit finding and recommendation. We are in the process of upgrading the software to address dispositions, as well as planning to install high density shelving to alleviate space constraints.

Estimated Implementation Date: June 30, 2026

¹ OSHA Standard Number 1926.250(a)(3): Aisles and passageways shall be kept clear to provide for the free and safe movement of material handling equipment and employees. Such areas shall be kept in good repair.

² Based on A Bureau of Labor Statistics' 2020 finding that the warehousing and storage industry's injury rate of 4.8 per 100 workers is higher than the US average of 2.7 per 100 rate among all private industries.

³ See Footnote 1.

Priority Level: 2**Recommendation 2:**

We recommend the PE Unit initiate a formal assessment to evaluate and implement options for secure, climate-controlled storage in Bay #6 and the Homicide Room. Options should include updating the bay and room to incorporate temperature/humidity control and sealing the ceiling. During this upgrade, there's also an opportunity to repurpose space adjacent to Bay #6 that is not being utilized by another CPD Unit (approximately 700 square feet).

Auditee Response: We concur with the audit finding and recommendation.

Estimated Implementation Date: June 30, 2026

Priority Level: 2**Inventory Accuracy**

We found discrepancies during our test of the inventory records. During our examination of the inventory, our sample of 100 items showed discrepancies with four of the items sampled, resulting in a 4% error rate. The items not found were received into inventory during 1991, 2013, 2018, and 2019 and are not considered high risk. Due to the wide range of intake dates, some of the discrepancies predate the current staff and management of the PE Unit.

This error rate falls within the Government Accountability Office (GAO) Best Practice standard, which sets inventory accuracy goals at 95% or higher. However, a secure chain of custody is a legal requirement (Tennessee law, CALEA, IAPE, and CPD Policy Manual OPS-17). The risk that items recorded in the system cannot be physically located poses a significant threat of evidence compromise, which could cause significant issues with ongoing criminal court cases.

Recommendation 3:

We recommend PE Unit personnel conduct a 100% inventory verification of all property and evidence records and fully reconcile the physical inventory against the perpetual inventory system to ensure full compliance with legal and policy mandates. (This recommendation can be accomplished in conjunction with Recommendation 4 – Barcoding Implementation)

Auditee Response: We concur with the audit finding and recommendation.

Estimated Implementation Date: January 31, 2027

Priority Level: 2

Noteworthy Accomplishments and Ongoing Challenges.

The PE Unit has made several incremental improvements to its process, demonstrating a commitment to operational excellence. During our work, we noted the Unit had improved lighting, installed several air purifiers, and implemented an automated intake process since our review of the unit in December 2024. In addition, improvements have been made to the confiscation lot, such as organization and security.

However, the Unit is experiencing challenges that require further technological and procedural investment:

- **Manual Tracking:** The Unit relies on manual inventory tracking for many functions. Barcoding is not utilized for inventory control. Barcoding could lead to accuracy and speed enhancements, which leads to cost savings, better inventory management, and increased efficiency.
- **Performance Measurement:** IAPE and CALEA emphasize data-driven oversight.⁴ Some Key Performance Indicators (KPIs) are currently used to systematically measure efficiency or track departmental goals. By tracking KPIs, the unit can monitor progress, identify areas for improvement, allocate resources effectively and ensure accountability.

Recommendation 4:

We recommend the PE Unit develop a project plan for implementing a barcoding system for all evidence to enhance inventory accuracy, retrieval speed, and secure chain of custody tracking across the evidence lifecycle (intake, storage, transfer, and disposal). The current system in use (TriTech Software Systems Electronic Records Management System (RMS)) includes barcoding abilities.

Auditee Response: We concur with the audit finding and recommendation.

Estimated Implementation Date: January 31, 2027

Priority Level: 3

⁴ IAPE Standard 9: Accountability and Compliance and CALEA Standard 11.41: Organization and Administration.

Recommendation 5:

We recommend the PE Unit, in addition to KPIs currently used, identify additional KPIs to define, track, and report on evidence management (e.g., Disposition Rate: the ratio of items disposed of to items received; Inventory Count Accuracy: the percentage of items physically verified to match system records) to measure process efficiency and drive continuous improvement.

***Auditee Response:** We concur with the audit finding and recommendation. .*

***Estimated Implementation Date:** June 30, 2026*

***Priority Level:** 3*

APPENDIX A: SCOPE, METHODOLOGY AND STANDARDS

Based on the work performed during the preliminary survey and the assessment of risk, the audit covers the CPD Property/Evidence Unit operations from January 2025 to August 2025. When appropriate, the scope was expanded to meet the audit objectives. Original records as well as copies were used as evidence and verified through physical examination.

To accomplish our audit objectives, we reviewed CPD policies, procedures, and controls governing Property/Evidence Unit operations, researched applicable law and national accreditation standards for law enforcement agencies, examined items and records maintained by the PE Unit, interviewed staff, assessed key risk factors, and evaluated best practices for maintaining property and evidence records.

Judgmental sampling was used to improve the overall efficiency of the audit. Based on CALEA standards, 100 items were randomly selected for audit/inspection from the Evidence Inventory Report.

We conducted this performance audit from August 2025 to November 2025 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.

APPENDIX B: PRIORITY LEVEL DEFINITIONS

Priority 1: Critical control weakness exists that exposes the City to a high degree of risk. Noncompliance with federal, state or local law, regulation, statute, charter or ordinance will always be considered a priority 1.

Priority 2: Control weakness exists that exposes the City to a moderate degree of risk.

Priority 3: The opportunity for improved efficiency or reduced exposure to risk exists.

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