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RISC RISK INFORMATION SHARING CONSORTIUM

BEHIND THE LOCKED DOOR: EVIDENCE MANAGEMENT & THE HIDDEN RISK TO MUNICIPAL INSURANCE POOLS

Joseph Graziano

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Behind the Locked Door

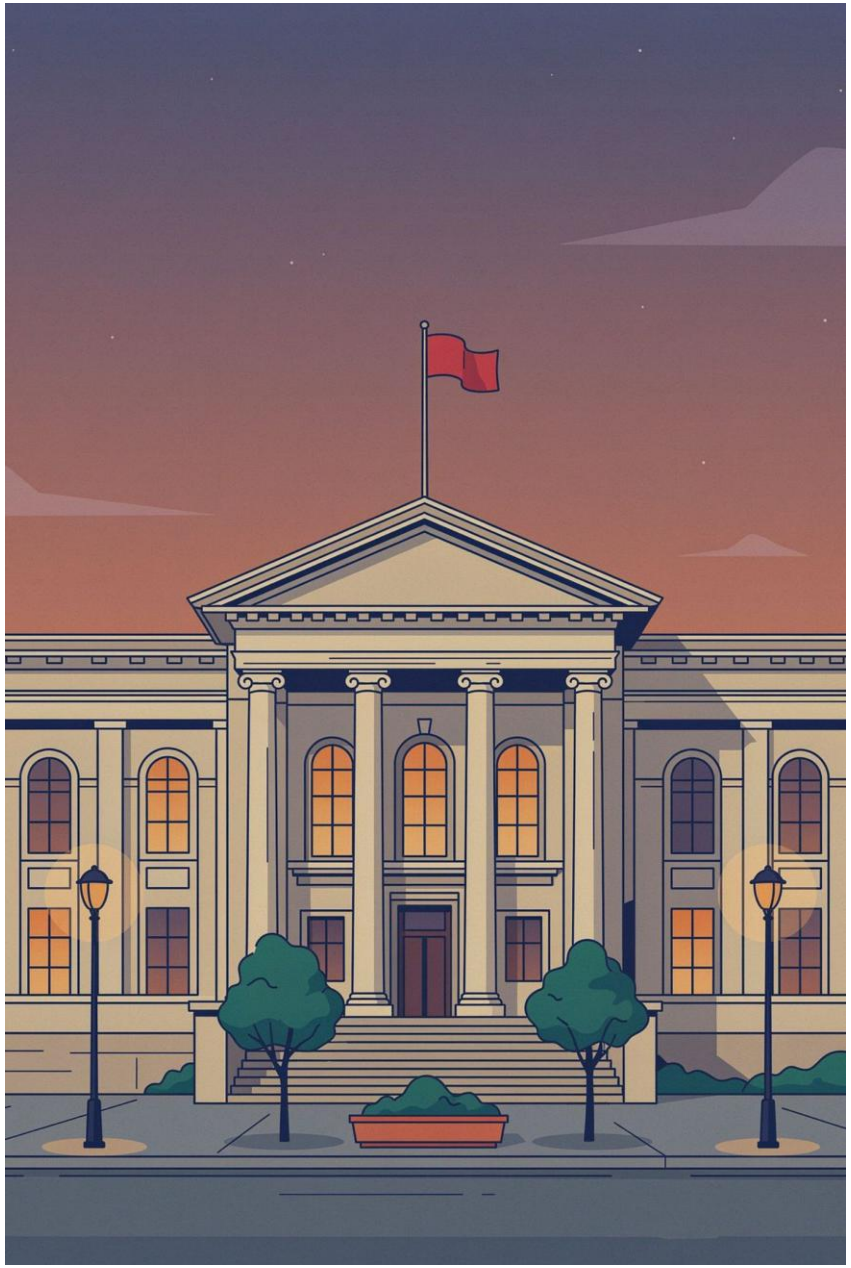
Evidence Management and the Hidden Risk for Municipal Insurance Pools



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The Overlooked Room

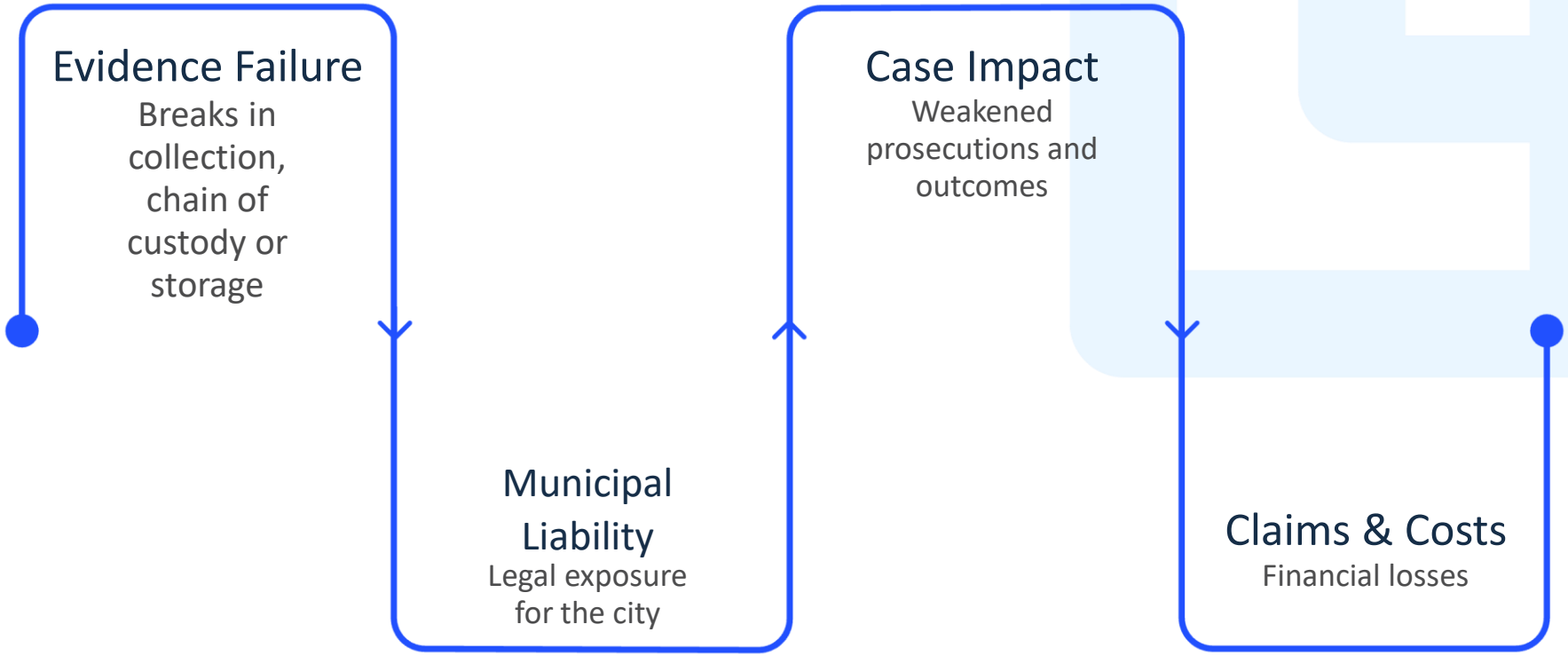
New leaders face staffing, budget, and community demands.

Evidence storage may receive little attention until someone asks what is inside and whether it is accounted for.

When did someone last verify the contents?

Why Evidence Management Matters to Insurance Pools

Evidence management may look like an operational problem for the Chief of Police. But the liability chain runs directly to the insurance pools. Every failure at the operational level has a downstream financial consequence for the members you insure and for the pool itself.



What Happens When the Door Breaks?

The evidence room may be secured behind a locked door. The liability it generates is not. When evidence management fails, the consequences spread quickly across the entire organization.

Missing Evidence

Inventory gaps that cannot be reconciled or explained

Unaccounted Firearms

High-risk property with no reliable chain of custody

Narcotics & Currency

High-value property vulnerable to theft and misconduct

Failed Prosecutions

Cases compromised by missing or tainted evidence

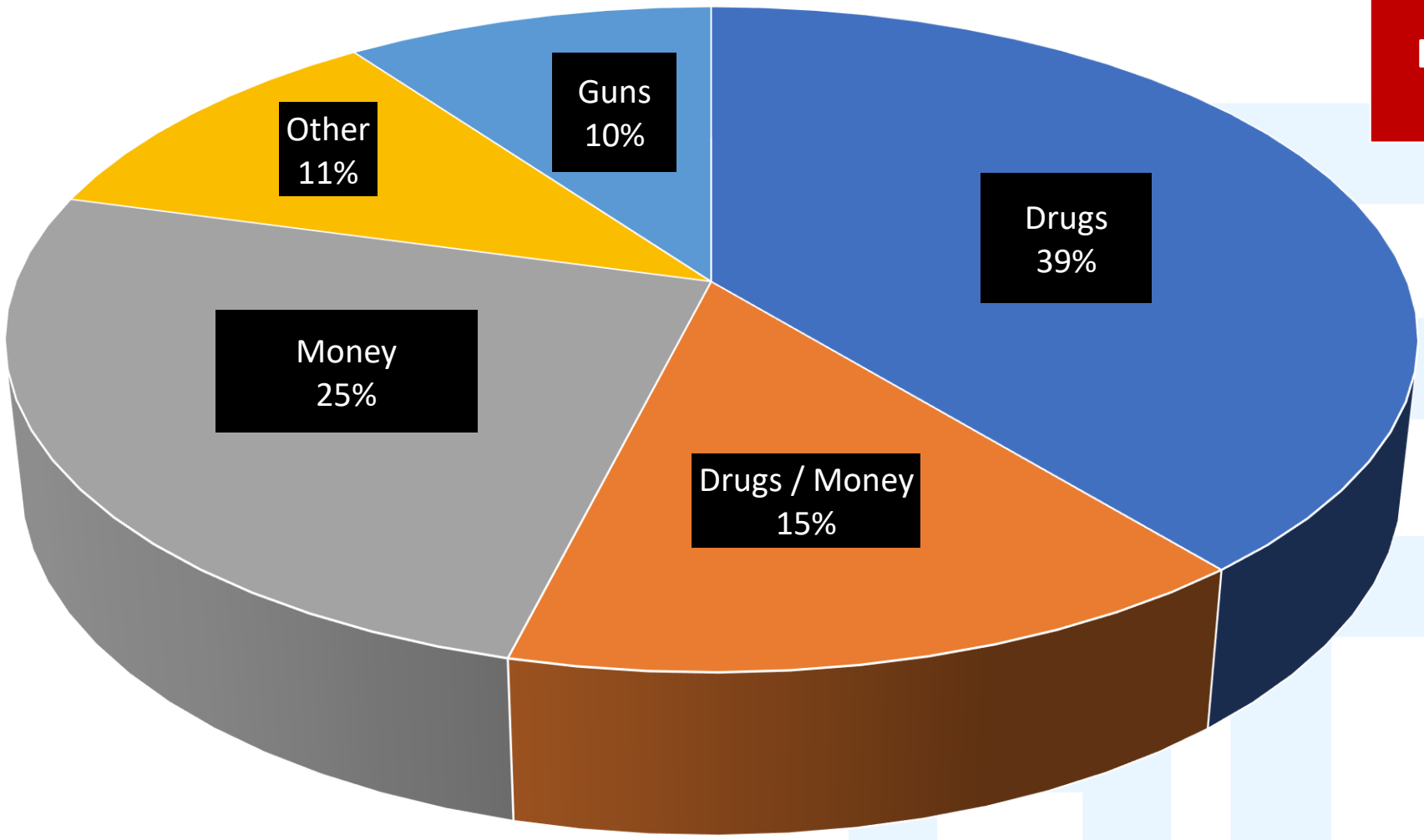
Criminal Investigations

Internal affairs and external law enforcement scrutiny

Civil Litigation

Section 1983 claims, wrongful conviction suits, and reputational harm

Loss by Category



89%
Drugs, Money, and Guns

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What Are We Actually Finding?

- Thousands of items with no complete inventory

  Agencies cannot accurately state what they hold, where it is, or whether it is all accounted for

- Property held in patrol cars, personal offices, lockers, or other unsecured locations
  Evidence stored outside controlled areas

- Improperly opened or packaged evidence

  Tampered packaging that destroys chain-of-custody integrity.

- Inadequate segregation of high-risk property

  Firearms, narcotics, and currency not stored separately with enhanced controls

- Leadership unable to identify the last full inventory

  No one in command can say with confidence when, or whether, a complete audit was ever conducted

The Downstream Effect

When evidence management fails, it rarely stays contained. The consequences move from the storage room to the courtroom to the front page, and ultimately to the insurance pools.





These cases are not outliers. They are the predictable outcome of systemic failures that go undetected until they don’t.

The Absence of Claims ≠ The Absence of Risk

Routine indicators still need independent verification.

What we hear	What we still need to verify
No claim on file	When was the last full inventory completed?
Written policy exists	Do daily practices follow the policy?
The room is locked	Who can enter, and how is access recorded?
An experienced custodian	Who independently reviews the work?
A new chief is in place	What inherited deficiencies remain unresolved?

How Does This Happen?



"We've Always Done It This Way"

Practices passed informally from custodian to custodian, administration to administration, without documented justification or review



Turnover & Knowledge Loss

Institutional knowledge walks out the door with each personnel change, and informal practices fill the void



Outdated Policies & No Audits

Policies that haven't been reviewed in a decade, with no independent verification that practices match them

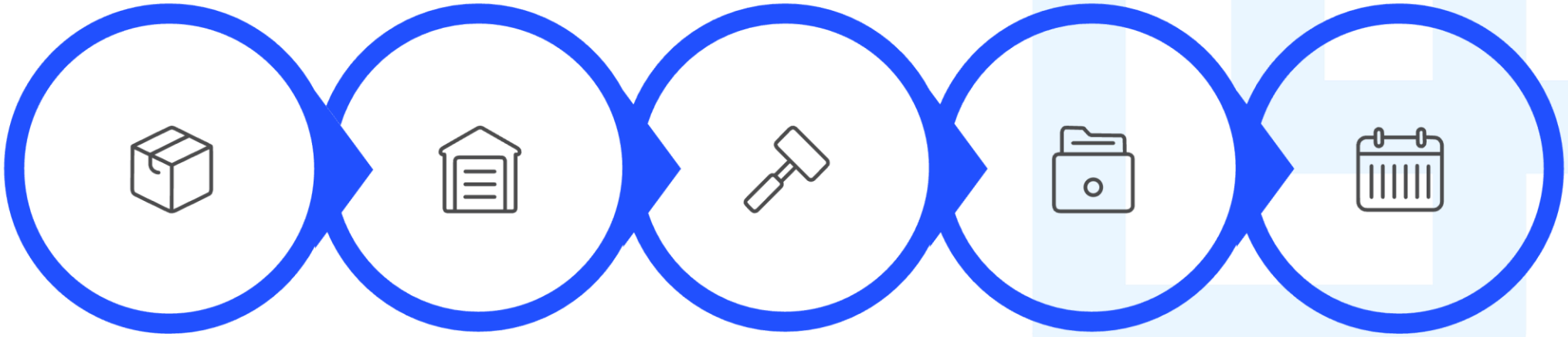


Nobody Outside the Room Asking Questions

Command staff who have never walked into the evidence room and asked hard questions

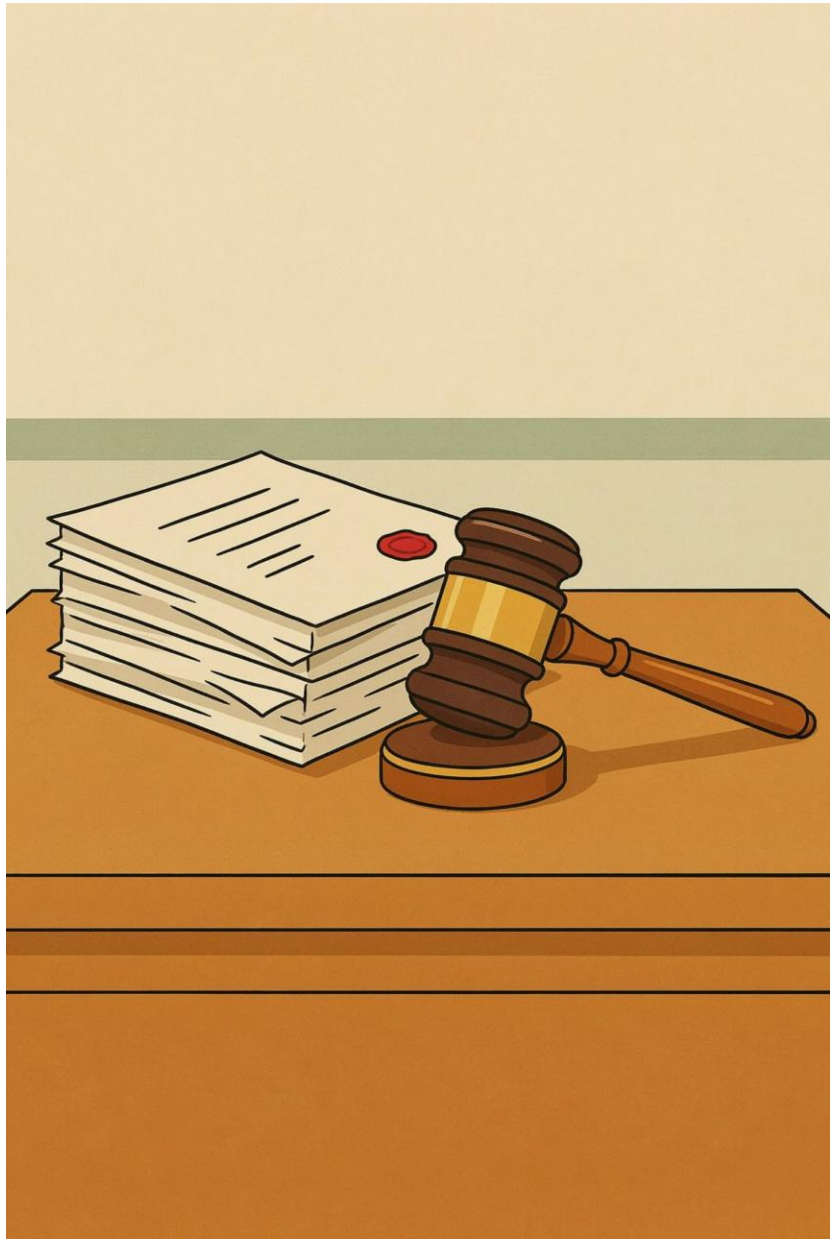
Evidence Obligations Can Outlast the Case

A closed case does not necessarily end the duty to preserve evidence.



Collection | **Secure storage** | **Case proceedings** | **Case disposition** | **Required retention**

Final disposition requires completed retention and documented authorization.



Evidence & Innocence

The Core Question

What happens when evidence from a 15- or 20-year-old case is requested during an innocence proceeding, and the agency cannot produce it, or cannot explain what happened to it?

The answer: significant civil liability, potential constitutional claims, and devastating reputational consequences.

When Did the Claim Really Begin?

1

Year 1

A new Chief discovers the evidence room has not been completely inventoried in 15 years.

2

Year 1–2

Significant deficiencies are identified and documented. Corrective action is discussed but postponed due to competing priorities.

3

Year 6

Evidence from an old homicide case is requested during a post-conviction proceeding.

4

Year 6

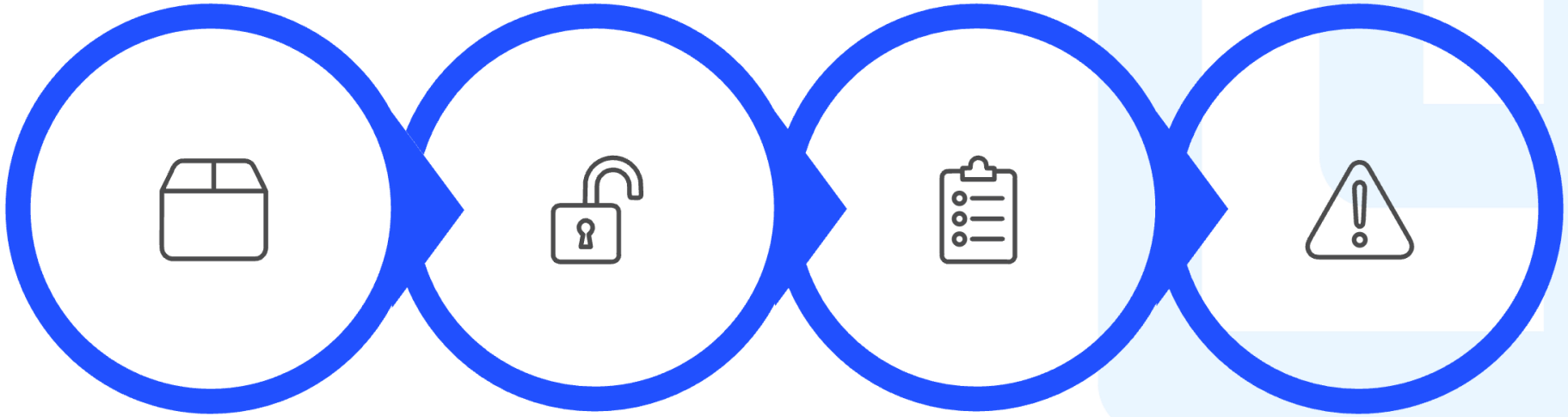
The evidence cannot be located. No documentation of lawful disposition exists.

5

The Real Question

When did the claim really begin? Year 6, or the moment leadership knew and failed to act?

When Does an Operational Problem Become a Liability Problem?



Negligence vs. Deliberate Indifference

Negligence

Something should have been done better. A training gap, a procedural failure, an employee who made a mistake.

Most evidence room deficiencies, standing alone, are typically negligence. They are correctable, defensible, and manageable with appropriate loss control.

Deliberate Indifference

A known or obvious risk meets an inadequate organizational response. This is a demanding constitutional standard, far beyond poor management or simple negligence.

Deliberate indifference can transform a single claim into Monell exposure. It is what turns an operational problem into an organizational liability.

The Question Changes

The Old Question

"Did the agency have an evidence management problem?"

A question about operational conditions, answered by looking at policies, practices, and past performance.

The New Question

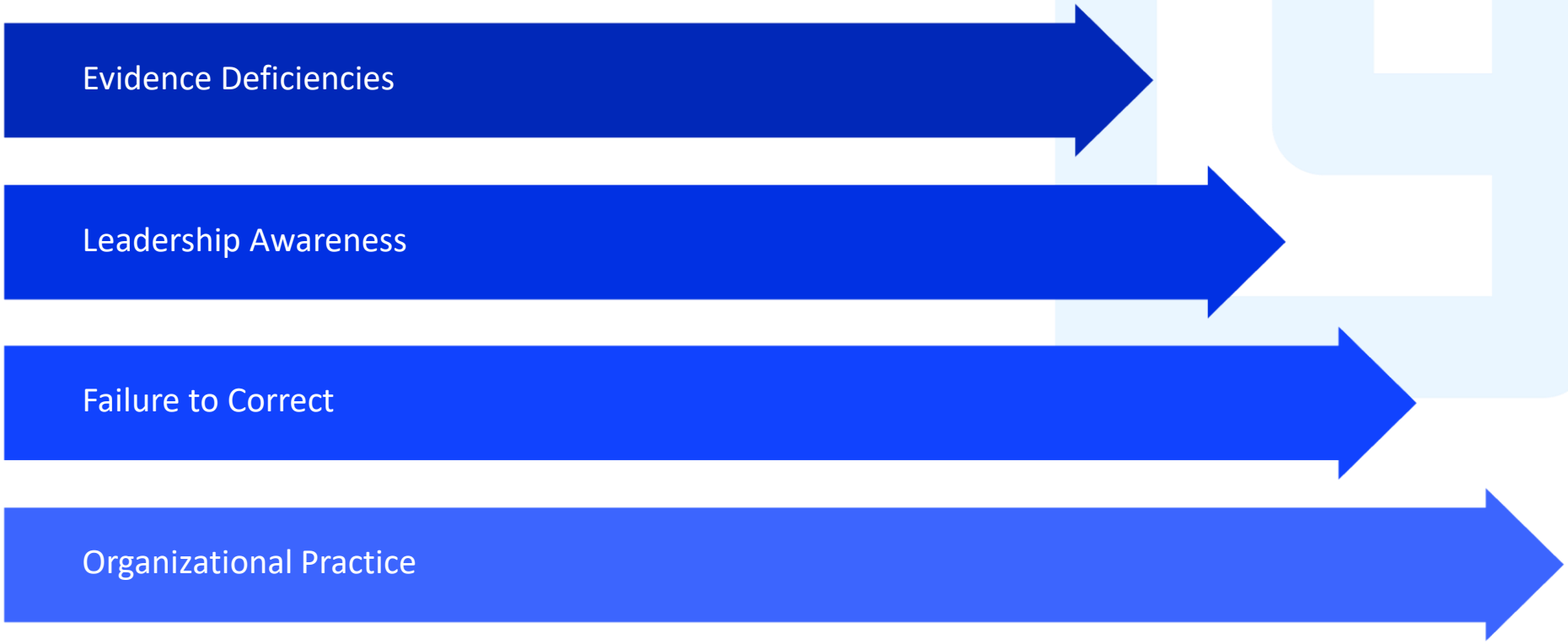
"Did leadership know about the problem, and fail to meaningfully address it?"

A question about organizational response, answered by looking at what leadership knew, when they knew it, and what they did.

This distinction is critical. Once a review, audit, or assessment is documented and finds a deficiency, the organizational response becomes increasingly important and increasingly discoverable

The Monell Connection

Under Monell, a municipality may face a 1983 liability claim when a constitutional injury stems from an official policy, custom, or a qualifying failure to train or supervise. **Evidence-management deficiencies can become relevant when systematic practices or known risks contribute to a constitutional violation.**



Individual Error vs. Organizational Failure

Courts, and plaintiffs' attorneys are sophisticated about the distinction between a single employee's mistake and a systemic organizational failure. We need to be equally sophisticated, because the two scenarios carry radically different exposure profiles.

Individual Error

An employee acts contrary to sound policy, adequate training, and appropriate supervision. The organization did what it should. One person made a mistake.

This scenario is defensible. The policy was right. The training was adequate. The supervision was present. The individual deviated.

Organizational Failure

Deficient policy + inadequate training + inadequate supervision + documented recurring problems + failure to correct = organizational liability.

This scenario is the second one that should demand immediate attention. Every element becomes evidence. Every prior audit becomes a document. Every ignored recommendation becomes an admission.

Waiting for the Claim Is Too Late

Traditional Model

Claim → Investigation → Defense → Payment → Loss Control

Reactive. Expensive. The damage is already done before intervention begins.

Proactive Model

Data → Assessment → Intervention → Correction → Verification

Forward-looking. Claims data tells us where we've been. Risk assessments tell us where the next claim may come from.

The goal should be to find the exposure before the claimant, attorney, investigator, or media does.

How We Are Approaching the Exposure

1

Partner with Business Services and Underwriting

Collecting meaningful renewal data as a starting point for risk control staff.

2

Law Enforcement Risk Review

Apply specialized legal and operational knowledge to evaluate evidence management practices against current standards

3

Field Experience

Leverage on-the-ground assessments to identify the gap between written policy and actual practice

4

Agency Engagement

Work directly with member agencies to surface concerns, answer questions, and build trust in the process

From Best Practice to Risk-Control Expectation



Controlled Access

Documented, limited access with independent verification, not just a locked door



Segregation of High-Risk Property

Firearms, narcotics, and currency in separate, enhanced-control storage



Documented Releases & Firearm Safeguards

Verified, documented chain of custody for every release, with additional controls for firearm returns



Trained Custodian & Staff

Formal training with documented competency, not informal on-the-job discussions



Routine Audits & Full Inventory

Independent audits on a defined schedule, and a complete inventory when circumstances require it



Corrective Action

Documented, timely response when deficiencies are identified, with verification that correction occurred

Training the Custodian Isn't Enough

Effective evidence management requires competency at every level of the organization, not just in the evidence room. A well-trained custodian operating without informed supervision is still a single point of failure.



Technical — Evidence Custodian

Handling, storage, documentation, retention, and lawful disposition. The operational foundation without which nothing else works.



Supervisory — Command Staff

Audits, oversight, accountability, and corrective action. Management cannot delegate what it doesn’t understand, and it can’t catch what it doesn't know to look for.



Executive — Chief of Police and Town Leadership

Recognize exposure, ask hard questions, provide resources, and verify that correction has actually occurred, not just been reported as occurring.

Leadership Transition: A Critical Control Point

1

What do we have?

Can the agency produce a current, accurate inventory of every item in its possession?

2

Where is it?

Is all evidence stored in appropriate, controlled, and documented locations?

3

Who has access?

Are access controls documented, limited, and independently verified?

4

Can we account for it?

Is the chain of custody intact and defensible for every item?

5

When was that verified?

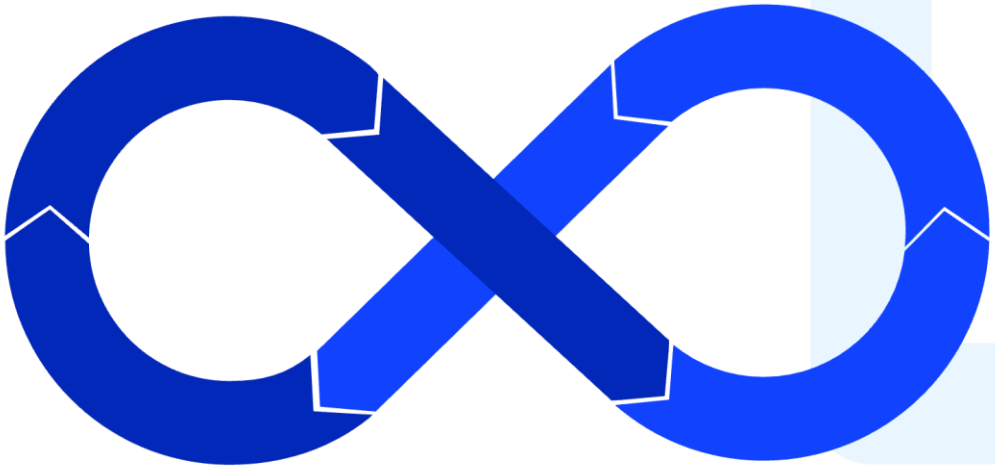
Has an independent audit ever confirmed the answer to these questions?

You cannot manage an exposure you don't know you inherited.

Partner With Members, Don’t Police Evidence Rooms

Assess Risks

Educate Teams



Verify & Reassess

Assist Implementation

Early identification protects the member. It protects the pool. And it produces better outcomes for the communities these agencies serve.

The Same Approach Applies Beyond Evidence

Evidence

The case study, operational risk invisible to traditional claims data until catastrophic failure

Pursuits & Use of Force

High-frequency, high-severity operational risks with well-developed litigation frameworks

Hiring & Background Screening

Negligent hiring claims that often surface years after the original hiring decision

AI & Early Intervention Systems

Emerging operational risks with developing legal frameworks and significant future exposure

A Model Other Insurance Pools Can Use

Find

Claims data, leadership changes, field intelligence, and member-reported concerns identify where to look first.

Assess

Compare written policy against actual practice. The gap between the two is the exposure.



Verify

Audit, inventory, documentation review, and independent confirmation that correction has actually occurred.

Intervene

Training, consultation, model policies, and practical resources delivered directly to member agencies.

Find → **Assess** → **Intervene** → **Verify** → **Repeat.** The cycle continues because the exposure continues.

What Is Behind Your Locked Door?

The greatest risk to a pool is rarely the claim already sitting on someone's desk. It is the operational condition that nobody has examined, the exposure that is accumulating quietly, behind a locked door, in a building the pool has never visited and the leadership has never thought to question.

The Claim on Your Desk

Known. Assigned. Being defended. The loss is largely set, your job now is management and mitigation.

The Exposure Behind the Door

Unknown. Unexamined. Accumulating. This is where proactive risk management can change the outcome before the claim ever arrives.

What is behind the locked doors of the municipalities you insure?

Takeaways

For Insurance Pools

Ask your members whether they have conducted a complete, independent evidence room audit in the past three years. The answer will tell you where to start.

For Risk Managers

Build evidence management into your law enforcement review framework. Treat operational conditions as predictive indicators, not compliance boxes.

For City Leadership

When a new chief arrives, require a baseline assessment. You cannot manage what you haven't measured, and you cannot defend what you never examined.

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