



Department of Central Services Special Audit Report July 1, 2001 – January 12, 2004

JEFF A. McMAHAN, CFE

OKLAHOMA OFFICE

OF THE

STATE AUDITOR & INSPECTOR

Audit Summary:

- ✓ Capitol Service Company submitted invoices totaling \$206,812.73 for supplies and material only. We noted that \$170,569.30 of the total invoices submitted was not supported by an itemized supply company invoice. We were unable to determine if reimbursements were for allowable expenditures or if markup amounts were excessive. Pg 4
- ✓ Of the total claims for supplies and materials submitted by Capitol Service Company, only \$36,243.43 was supported by a supply company itemized invoice. We noted the following: Pg 4
 - thirty-two (32) claims that included invoices with \$2,822.87 for the markup on purchases made by the former DCS employee;
 - twenty-four (24) claims that included invoices with \$2,473.87 that were in excess of the contract markup;
 - twenty-seven (27) claims that included invoices with \$7,989.48 for tools purchased by the former DCS employee;
 - eleven (11) claims that included invoices with \$2,099.24 submitted by Capitol Service Company included supply company invoices for parts and supplies previously billed and reimbursed;
 - thirty-three (33) claims that included invoices with \$1,733.76 in sales tax for purchases made by the former DCS employee.
- ✓ Capitol Service Company failed to comply with DCS and our request to provide supply company's itemized invoices. Pgs 4 & 5
- ✓ Capitol Service Company submitted invoices totaling \$98,711.00 for labor. Of this amount we noted the following: Pg 7
 - \$808.36 for claims submitted that included hours billed multiple times;
 - \$4,535.02 on claims where hours billed does not appear to agree with hours per sign in/out sheets;
 - \$1,085.08 for claims that the incorrect hourly rate was used when calculating the labor amount;
 - they received payments totaling \$43,581.56 for labor charged where the contractor/workers did not sign in/out; This included twenty-six (26) total hours for one individual in a single day;
 - \$787.50 for hours charged were not itemized;
 - Capitol Service Company received payment of \$930.00 for services provided by an unsupervised apprentice;
 - \$20,945.00 for labor where sign in/out sheets were not maintained by DCS.

Why the audit was performed

The Attorney General requested the audit pursuant to **74 O.S. 2001, § 18f.**

To view a copy of the entire report, please visit our website at: www.sai.state.ok.us.

If you have questions or would like to contact our office, please call (405) 521-3495.



Department of Central Services Special Audit Report July 1, 2001 – January 12, 2004

JEFF A. McMAHAN, CFE

OKLAHOMA OFFICE

OF THE

STATE AUDITOR & INSPECTOR

Audit Summary:

- ✓ We found no documentation attached to the claims verifying that DCS monitored the contracts to assure the markup on supplies was calculated correctly, the hours worked agreed to the hours per sign in/out sheets, hourly rates billed agreed to the rate per bid or that all reimbursements were made for allowable items. Pg 8
- ✓ DCS awarded a contract to Drains Heating & Air to do HVAC work at the State Election Board office. We found no documentation to support Department of Central Services confirming Drain's Heating & Air had the proper licenses to perform the work performed for the State Election Board. Pgs 8 & 9
- ✓ DCS awarded a bid to a company owned by a state employee, Drain's HVAC & Air, but the contract was not signed and the company did not perform the work on the project. Pg 9
- ✓ We were unable to locate the MLR Millermatic welder or Vortex recovery machine purchased by the former DCS employee through Capitol Service Company's account. Pg 10
- ✓ Due to the purchasing process used and the lack of invoices, DCS did not maintain a current inventory of tangible assets as required by law. Pg 10

Why the audit was performed

The Attorney General requested the audit pursuant to **74 O.S. 2001, § 18f.**

To view a copy of the entire report, please visit our website at: www.sai.state.ok.us.

If you have questions or would like to contact our office, please call (405) 521-3495.

DEPARTMENT OF CENTRAL SERVICES

SPECIAL AUDIT REPORT

JULY 1, 2001 THROUGH JANUARY 12, 2004



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

June 29, 2004

Honorable Drew Edmondson
Attorney General for the State of Oklahoma
Room 112, State Capitol
Oklahoma City, Oklahoma 73105

Transmitted herewith is the Special Audit Report of the Department of Central Services. We performed our special audit in accordance with the requirements of 74 O.S. 2001, § 18f.

A report of this type is critical in nature; however, we do not intend to imply that our report failed to disclose commendable features in the present accounting and operating procedures of the Department of Central Services.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government, which is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our Office during the course of our special audit.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahan".

JEFF A. McMAHAN, CFE
State Auditor and Inspector

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH JANUARY 12, 2004**

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**DEPARTMENT OF CENTRAL SERVICES
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EXECUTIVE STAFF

Pamela M. Warren..... Director of Central Services
Tom Jaworsky Director of Central Purchasing
George Sylvester..... Director of Facility Services

**DEPARTMENT OF CENTRAL SERVICES
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INTRODUCTION

The Department of Central Services is an agency of the State of Oklahoma, created under 74 O.S. § 61.2, and provides a variety of support services to state agencies and other governmental entities. The Department of Central Services is designated in the Executive Department under the administrative control of the Director of Central Services. The Director is appointed by the Governor, by and with the advice and consent of the Senate.

Facilities Services is one of the many divisions organized within the Department of Central Services' operating entities. This division shall have charge of the construction, repair, maintenance, insurance, and operation of all buildings owned, used, or occupied by or on behalf of the State, including buildings owned by the Oklahoma Capitol Improvement Authority where such services are carried out by contract with the Authority.

The State Auditor and Inspector conducted a special audit of records of the Department of Central Services, primarily those records relating to the Attorney General's concerns. These records included information provided by the Department of Central Services based on their internal investigation of the concerns. The results of the special audit are in the following report.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

Department of Central Services
Will Rogers Office Building
2401 Lincoln Boulevard, Suite 206
Oklahoma City, Oklahoma 73152

Pursuant to the Attorney General's request and in accordance with the requirements of 74 O.S. 2001, § 18f, we performed a special audit with respect to the Department of Central Services, for the period of July 1, 2001 through January 12, 2004.

Our audit focused on the area of concerns presented by the Attorney General's office, which included the following:

HVAC service contracts for the particular State-owned buildings.

Because the procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Department of Central Services, for the period July 1, 2001 through January 12, 2004.

Further, due to the test nature and other inherent limitations of a special audit report, together with the inherent limitations of any internal control structure, there is an unavoidable risk that some material misstatements may remain undiscovered. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Department taken as a whole.

This report is intended to provide information to the Attorney General and Administration of the Agency. This restriction is not intended to limit the distribution of the report, which is a matter of public record when released.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahan".

JEFF A. McMAHAN, CFE
State Auditor and Inspector

June 17, 2004

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Finding: The Department of Central Services (DCS) contracts for the maintenance and repair of the heating and air conditioning systems (HVAC). These contracts were awarded to Capitol Service Company for the particular state buildings and fiscal years as noted below:

1. Contract no. CY007075 was for the service/repair of the geothermal heat pump system at the State Capitol building. The contract was not to exceed \$90,000.00 for each fiscal year ending 2004, 2003, and 2002. The terms of the contract allow the contractor to be reimbursed the cost of materials and supplies in which they may apply a maximum of ten percent (10%) markup on these items.
2. Contract no. CY007355 was for the service/repair on the HVAC equipment in specified buildings (580) on the State Capitol complex and Ada, Oklahoma, which include the Agriculture, Jim Thorpe, Historical, Library, Denver Davison, Sequoyah and Will Rogers buildings, the Governor's mansion, central maintenance buildings, central printing, motor pool (gas pumps), and the Abbott Miller Complex. The contract was not to exceed \$76,500.00, \$76,500.00, and \$79,500.00 for the fiscal years 2004, 2003, and 2002, respectively. The terms of the contract allow the contractor to be reimbursed the cost of materials and supplies plus twenty percent (20%) markup on these items.
3. Contract no. CY007074 was for the service/repair on the HVAC equipment in specified buildings on the State Capitol complex, which include M.C. Connors, Oliver Hodge, and Department of Transportation buildings. The contract was not to exceed \$16,666.64 for the period March 1, 2003 through June 30, 2003; \$33,333.36 for the period July 1, 2002 through February 28, 2003; and \$50,000.00 for the fiscal year 2002. The terms of the contract allow the contractor to be reimbursed the cost of materials and supplies plus twenty percent (20%) markup on these items.
4. Contract no. F006641 was for the service/repair on the HVAC equipment in specified buildings on the State Capitol complex, which include M.C. Connors, Oliver Hodge, and Department of Transportation buildings. The contract was not to exceed \$50,000.00 for the fiscal year 2004. The terms of the contract state "materials and replacement parts shall be billed at list price less discount as specified on bid page" although the bid page reflects a thirty-five percent (35%) markup on the cost of the items.

We obtained bid documents, contracts, and purchase orders/claims from July 1, 2001 through January 12, 2004, for the above-mentioned contracts to determine if payments were being made to the contractor in accordance to the terms of the contractual agreements. These contracts were awarded to Capitol Service Company for one (1) year with the option to renew for three (3) additional years. The reimbursements to the contractor were reviewed to determine whether the markup amount was proper, reimbursements were only made for parts and materials, and the claims were supported by proper documentation. The claims submitted by Capitol Service Company were not supported by the supply company's itemized invoices. We received some supply company invoices for the purchase of parts and supplies that were obtained from DCS, which had been found in a DCS employee's lock box located in the a/c shop at the capitol. Also, the owner of Capitol Service Company delivered some invoices to the State Auditor's office with purchases made by the DCS employee, charged to Capitol Service Company, and submitted for reimbursement. The claims, which included these supply company invoices, were the only claims that we were able to determine compliance with the contract agreement.

The DCS employee worked as a journeyman contractor on the HVAC system at the State Capitol building for both the two (2) previous contractors awarded the service/repair contracts. As per the DCS Director of Human Resources, the person was employed by the State of Oklahoma from March 19, 2001 through January 28, 2004. We noted, after the person became a state employee, he was making purchases at several different supply companies for supplies, materials, and tools to be used at the State Capitol building and charging the items to Capitol Service Company's account. Then, in turn, Capitol Service Company would submit their invoices, which included the

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purchases made by the DCS employee, for reimbursement. The reimbursement for these purchases included markup and sales tax. Also, the contract had no provision for the reimbursement of tools.

The following list explains the categories for which exceptions were noted in the subsequent schedule:

1. **Markup amount** – the amount of markup at the contract rate for purchases made by the former DCS employee.
2. **Excess markup amount** – the amount reimbursed in excess of the markup amount at the contract rate.
3. **No invoice** – claims submitted by Capitol Service Company not supported by a supply company's itemized invoice.
4. **Tools** – purchases by the former DCS employee that were not part of the contract agreement.
5. **Duplicate payments** – items submitted twice for reimbursement.
6. **Taxes charged** – the tax amount reimbursed to Capitol Service Company for purchases made by the former DCS employee.

CONTRACT NO. CY007075

Fiscal Year	Markup Amount	Excess Markup Amount	No. Invoice	Tools	Duplicate Payment	Taxes Charged
2004	\$ 397.73	\$ 585.05	\$22,203.94	\$2,203.55	\$133.15	\$314.63
2003	1,096.79	1,532.58	15,259.27	3,747.03	1,019.42	713.34
2002	1,200.76	290.30	13,852.28	1,798.82	366.64	661.26
Total	\$2,695.28	\$2,407.93	\$51,315.49	\$7,749.40	\$1,519.21	\$1,689.23

CONTRACT NO. CY007355:

2004	\$127.59	\$65.94	\$25,392.33	\$240.08	\$580.03	\$44.53
2003			28,674.34			
2002			24,109.66			
Total	\$127.59	\$65.94	\$78,176.33	\$240.08	\$580.03	\$44.53

CONTRACT NO. CY007074:

2004			\$18,924.23			
2003			6,439.33			
2002			14,568.92			
Total			\$39,932.48			

CONTRACT NO. CF006641:

2004			\$1,145.00			
Total			\$1,145.00			
Grand Total	\$2,822.87	\$2,473.87	\$170,569.30	\$7,989.48	\$2,099.24	\$1,733.76

See Appendix "A" for schedule of exceptions by claim.

Of the total claims for supplies and materials submitted by Capitol Service Company, only \$36,243.43 was supported by a supply company's itemized invoice. We noted the following:

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- thirty-two (32) claims that included invoices with \$2,822.87 for the markup on purchases made by the former DCS employee;
- twenty-four (24) claims that included invoices with \$2,473.87 that were in excess of the contract markup;
- twenty-seven (27) claims that included invoices with \$7,989.48 for tools purchased by the former DCS employee;
- eleven (11) claims that included invoices with \$2,099.24 submitted by Capitol Service Company included supply company invoices for parts and supplies previously billed and reimbursed;
- thirty-three (33) claims that included invoices with \$1,733.76 in sales tax for purchases made by the former DCS employee.

Submitting invoices that included vendor invoices which had previously been paid and charging an amount in excess of the allowable markup, appears to be a violation of 21 O.S. 2001, § 341.

During our audit period, Capitol Service Company submitted invoices totaling \$206,812.73 for supplies and materials only. We noted \$170,569.30 of the total invoices submitted was not supported by an itemized supply company invoice. Requests were made to Capitol Service Company via letter from the Department of Central Services and facsimile from our office, but the records were not presented. Also, a subpoena was issued from our office and Capitol Service failed to provide the requested documents. Due to lack of records, we were unable to determine whether the markup on the parts and materials complied with the percentage allowed per the contracts. Based on the lack of supporting documentation, we were unable to determine if reimbursements were for allowable expenditures or if markup amounts were excessive.

Attempts were made to obtain the supply company invoices for parts and supplies from the owner of Capitol Service Company. A letter dated January 20, 2004, from Department of Central Services, signed by the State Purchasing Director, to Capitol Service Company requesting all records relating to all contracts with the Department of Central Services from July 1, 2001 through January 20, 2004. The response for the request of these records was submitted in a letter dated February 2, 2004, from Capitol Service Company's attorney, stating:

“Be advised that I represent _____ and Capitol Service Company with the regard to the problems that have arisen out of contracts with the State. It is his position that there have been numerous illegal contracts let, and he will be filing a taxpayer’s demand for the State to recapture any monies paid under any illegal contracts.

In the meantime, if you need anything further from Capitol Service Company or _____, request should be made directly through this office.”

The records requested by the Department of Central Services were not received.

Pursuant to a telephone conversation with the owner of Capitol Service Company on February 25, 2004, a list of Capitol Service Company’s invoice numbers, date, and amount were faxed to him requesting itemized supply company invoices to support his invoices. On March 3, 2004, the State Auditor and Inspector’s office received a letter from his attorney dated March 1, 2004, stating the following:

“Be advised that I represent Capitol Service Company and _____ with regards to all matters concerning the affairs at the State Capitol. He has provided me with your February 25, 2004, FAX for which I thank you.

Please contact me upon receipt of this letter so that I might discuss the purpose and intent of your request of February 25th. While I can assure you that Capitol Service Company and _____ wish to cooperate in

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all shape, manner and form with regard to any investigation ongoing, some of your requests are burdensome, if not impossible to comply with. Further, I need assurances from those in authority that neither _____ nor Capitol are targets or subjects of this investigation, but are simply fact-providers.”

Per telephone conversation with his attorney on March 4, 2004, at approximately 10:45 a.m., he stated that they would provide the information that had been requested, but it would take some time to get all the information together.

The information requested was never received from the owner of Capitol Service Company or his attorney. On April 6, 2004, at 8:26 a.m., a subpoena issued to _____ dba Capitol Service Company was served to the legal secretary at the office of his attorney. The subpoena requested the same information requested on February 25, 2004, to be delivered at the State Auditor and Inspector’s branch office within forty-eight (48) hours. The documentation was not delivered to our office as ordered by the subpoena and has still not been delivered as of June 22, 2004. The non-compliance of the subpoena appears to be a violation of 74 O.S. 2001, § 215.

Recommendation: We recommend that the Attorney General review this finding to determine further action.

Finding: The Department of Central Services (DCS) contracts for the maintenance and repair of the heating and air condition systems (HVAC) for both 105/OCIA and 580 buildings. The OCIA buildings consist of Department of Transportation, M.C. Connors, Oliver Hodge, and CRXW and the 580 buildings consist of Agriculture, Jim Thorpe, Historical, Library, Denver Davison, Sequoyah and Will Rogers buildings, Governor's mansion, central maintenance buildings, central printing, motor pool (gas pumps), Abbott Miller Complex.

During our audit period, contracts CY007075, CY007355, CY007074, and F006641 were awarded to Capitol Service Company. We reviewed the invoices submitted by Capitol Service Company that included labor charges to assure compliance with the contract terms. This included verifying total hours charged agreed to the sign in/out sheet, individual rates properly applied, and individuals with hours charged were properly licensed.

In reviewing the labor criteria contained in the contracts, we found the following:

Contract Nos. CY007075, CY007355, CY007074:

3. ON CALL SERVICE/REPAIR:

- 3.3 Labor shall be billed as time/hourly rate as bid.
- 3.4 For work performed at the Capitol, hourly rate shall include only time on site...
- 3.5 Upon arrival at the facilities, service repairman shall notify facilities manager, sign in before work is to start and sign out when work is completed on a daily basis.

Contract No. F006641:

- 4.18 All services shall be performed during normal business hours unless authorized by DCS.
- 4.19 Normal business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday.
- 4.22 ...Hours paid under this contract for work shall be for productive hours at the job site. Repair service is to be performed on a labor rate per hour per worker...

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4.24 Upon arrival at the site, the Contractor shall, at an area designated by DCS, sign in before work is to start and sign out when work is completed on a daily basis. The Contractor's billed hours shall commence at that time...

The following list explains the categories for which exceptions were noted in the following schedule:

- **Duplicate charges** – labor was charged for the same time and date on multiple invoices.
- **Did not sign in/out** – labor was charged and Capitol Service Company employee did not sign in/out with building manager as required in contracts. We also noted several invoices which appear to have duplicate billings for same dates. However, due to not signing in/out we were unable to determine accuracy of billing.
- **Sign in/out disagrees with billing** – labor was charged for a different number of hours than sign in/out sheets reflect.
- **Labor not itemized** – labor was not broken down hourly/daily.
- **Apprentice only** – labor was performed by a licensed apprentice without the supervision of a licensed journeyman or contractor.
- **Incorrect hourly rate** – labor was charged at a rate different than provided per the contract.
- **Contract/sign in/out unavailable** – these items were not available for our review.

The following schedule documents the exceptions for the categories listed above by contract and fiscal year (FY):

Contract No.	Duplicate Charges	Did Not Sign In/Out	Sign In/Out Disagrees With Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Sign In/Out Sheets Unavailable
CY007075							
FY 2004	(192.36)	(2,903.00)	(2,009.64)	0.00	(494.00)	5.40	0.00
FY 2003	0.00	(4,730.56)	(1,632.96)	0.00	(160.00)	0.00	0.00
FY 2002	0.00	(5,488.00)	358.12	(787.50)	0	(275.00)	(3,724.00)
Total	(\$ 192.36)	(\$13,121.56)	(\$3,284.48)	(\$787.50)	(654.00)	(\$ 269.60)	(\$3,724.00)
CY 007355							
FY 2004	0.00	(6,563.00)	(121.49)	0.00	0.00	0.00	(5,209.00)
FY 2003	(364.00)	(9,173.00)	(1,217.76)	0.00	(238.00)	(524.48)	0.00
FY 2002	(252.00)	(8,584.00)	284.71	0.00	(38.00)	(220.00)	(3,816.50)
Total	(\$ 616.00)	(\$24,320.00)	(\$1,054.54)	\$0.00	(\$276.00)	(\$ 744.48)	(\$9,025.50)
CY 007074							
FY 2004	0.00	(1,606.00)	0.00	0.00	0.00	0.00	(2,925.00)
FY 2003	0.00	(2,013.00)	(196.00)	0.00	0.00	(20.00)	0.00
FY 2002	0.00	(869.00)	0.00	0.00	0.00	(58.00)	(5,270.50)
Total	\$ 0.00	(\$4,488.00)	(\$ 196.00)	\$ 0.00	\$ 0.00	(\$ 78.00)	(\$8,195.50)
CF006641							
FY 2004	0.00	(1,652.00)	0.00	0.00	0.00	7.00	0.00
TOTAL	(\$808.36)	(\$43,581.56)	(\$4,535.02)	(\$787.50)	(\$930.00)	(\$1,085.08)	(\$20,945.00)

See Appendix "B" for schedule of exceptions by claim.

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During our review of claims totaling \$98,711.00 submitted by Capitol Service Company:

- Sign in/out sheets and contracts supported only \$77,766.00 of the claims submitted. We noted the following:
 - They were paid \$808.36 for claims submitted that included hours billed multiple times.
 - \$4,535.02 on claims where hours billed does not appear to agree with hours per sign in/out sheets;
 - \$1,085.08 for claims that the incorrect hourly rate was used when calculating the labor amount.
 - Capitol Service Company received payments totaling \$43,581.56 for labor charged where the contractor/workers did not sign in/out. The contracts require the contractor/employee to sign in at the particular buildings at the time of arrival and to sign out at the completion of the job and the hours billed shall be for the time on site. This included twenty-six (26) total hours for one individual in a single day.
 - \$787.50 for hours charged were not itemized, and
 - \$930.00 for services provided by an unsupervised apprentice.
- \$20,945.00 for labor where sign in/out sheets were not maintained by DCS. For these payments noted, we were unable to verify that the hours billed were worked in accordance with the contract agreements.

Therefore, we question the aforementioned payments of \$71,742.52 due to the non-compliance with the contract agreement. Submitting false claims appears to be a violation of 21 O.S. 2001, § 358 and receiving payment for these claims appears to be a violation of 21 O.S. 2001, § 341. The payment of \$930.00 for services provided for an unsupervised apprentice appears to be a violation of the Mechanical Industry Regulation 158:50-11-2 (b)(2).

Recommendation: We recommend that the Attorney General and Oklahoma Construction Industries Board review this finding to determine the necessary action.

Finding: During our review of the two-hundred thirty-four (234) claims, from July 1, 2001 through January 12, 2004, paid to Capitol Service Company for contracts CY007075, CY007355, CY007074, and CF006641, we noted most of the claims were supported by an "Invoice Affidavit for Construction" signed by the vendor and a DCS employee. The affidavit states:

"CONTRACTOR OR SUPPLIER

The undersigned Contractor or Supplier certifies to the best of the Contractor's or Supplier's knowledge, information, belief, the Work or Materials covered by this Application for Payment has been completed or materials delivered in accordance with the Contract Documents, that all amounts have been paid by the Contractor or Supplier for Work or Materials for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

SUPERVISORY OFFICIAL

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Supervisory Official certifies to the Owner that to the best of the Supervisory Official's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the Amount Certified."

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We found no other documentation attached to the claims verifying that the markup on supplies was calculated correctly, the hours worked agreed to the hours per sign in/out sheets, hourly rates billed agreed to the rate per bid or all reimbursements were made for allowable items. It appears the affidavit reflects the DCS employee approves that the contractor was entitled to payment of the amount certified. The amount certified would be the amount per the contractor's invoice. Based on the exceptions noted in the above findings and documentation attached to the claims, it appears DCS did not monitor the contracts to assure the terms of these agreements had been adhered to.

Recommendation: We recommend that the Department of Central Services establish and implement policies and procedures to assure compliance of contract terms.

Finding: We obtained Purchasing Requisition No. L063174, to Central Purchasing from the State Election Board dated February 9, 2001, in the amount of \$16,730.00. The purpose of the requisition was for replacement of the air conditioning system in the computer room and additions to the office system at the State Election Board. The requisition was supported by a letter of need, contract requisition justification, sole source acquisition affidavit and attachment from the State Election Board and a quote from the suggested vendor. These documents reflect the former DCS employee dba Drain's Heating & Air be awarded contract as sole source provider. This requisition was denied and resubmitted.

On February 22, 2001, the Department of Central Services issued Purchase Order No. X061133, Requisition No. L063174, in the amount of \$16,730.00 to Drain's Heating & Air. The contract was for the installation of a new air conditioning system in the computer room and addition to existing office air conditioning system at the State Election Board. The contract was awarded to Drain's Heating & Air as "sole source". The State Election Board submitted a "Sole Source or Sole Brand Affidavit" to justify entering into the contract as sole source which was supported by an attachment that states in part:

"Through years of daily, hands-on experience with the OASIS system while working with vendors under contract to the Facilities Service Division, _____ Drain's Heating & Air, has developed a detailed and comprehensive knowledge of the installation, operation and maintenance of the Capitol OASIS system. Because of this unequaled level of specialized knowledge of the system, the State Election Board believes that attempted performance of this contract by any other vendor would result in both substantial duplication of cost to the State that could not be recovered through competition as well as unacceptable delays in fulfilling the agency's requirements.

The State Capitol Administrator, whose office is responsible for the operation and maintenance of the OASIS system, has urged that this contract be sole-sourced to Drain's Heating & Air, as we are requesting."

In comparing the denied requisition and approved requisition, it appears the documentation on the disapproved requisition and supporting documentation reflects the former DCS employee/Drain's Heating & Air as the vendor, but the approved requisition and supporting documentation list Drain's Heating & Air at a different address as the sole source vendor.

It appears this contract was awarded to Drain's Heating & Air, owned by the former DCS employee prior to him becoming an employee of the State.

59 O.S. 2001, § 1850.2, states in part:

"6. "Mechanical contractor" or "contractor" means any person engaged in the business of planning, contracting, supervising or furnishing labor or labor and materials for mechanical work;

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7. “Mechanical journeyman” or “journeyman” means any person other than a contractor or apprentice who engages in mechanical work;”

59 O.S. 2001, § 1850.7, states:

“No person shall engage or offer to engage in, by advertisement or otherwise, any mechanical work as a journeyman or contractor who does not possess a valid and appropriate license from the Construction Industries Board. No business entity shall act as a mechanical firm unless a contractor is associated with and responsible for all mechanical work of such entity.”

Mechanical Industry Regulation 158:50-11-2 – Prohibited Acts, states in part:

- “(c) The following prohibited acts apply to persons issued a journeyman license:
(1) No licensee shall perform mechanical work except under the employment or supervision of a Mechanical Contractor.”

We obtained documentation from the Oklahoma Construction Industries Board verifying that the former DCS employee did not hold a mechanical contractor’s license, only a journeyman’s license. We found no documentation to support Department of Central Services confirming Drain's Heating & Air had the proper licenses to perform the work at the State Election Board office. Based on this information, it appears the Department of Central Services awarded a contract to a company that was not licensed to perform the work.

Recommendation: We recommend that the Oklahoma Construction Industries Board review this finding to determine the necessary action.

Finding: On December 12, 2003, the Department of Central Services, Construction and Properties Division, issued a letter to Drain’s HVAC & Air awarding them the contract in the amount of \$5,174.44 to perform work in the Office of State Finance ISD/Data Center.

The contract was awarded based on three (3) quotes:

1. United Mechanical	\$ 5,327.00	10/24/03
2. Harrison-Orr Air Conditioning, Inc.	\$10,000.00	09/18/03
3. Drain’s HVAC & Air	\$ 5,174.44	11/10/03

We received a memo dated January 6, 2003, signed by an administrative assistant, stating:

“A gentleman telephoned me this morning and stated he was with Drain’s HVAC & Air and that he had received a contract from Construction & Properties to work at the Capitol Building. He stated that he was too busy to do the work right now and wanted to decline the job. I told him to put the statement in writing and mail it or fax it to this office so that we could legally award the contract to a second vendor. I also told him to contact the individual who had solicited the bids and let that person know that they did not want the contract. He thanked me and told me he would take care of it.”

Based on the information, the bid was awarded to a company owned by a state employee, Drain’s HVAC & Air, but the contract was not signed and the company did not perform the work.

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Recommendation: We recommend that the Department of Central Service take the proper steps to assure contracts are not awarded to companies owned by state employees, and that individuals who are awarded contracts have the proper license to perform the work.

Finding: During our review of Capitol Service Company claims, we noted tools and equipment totaling \$7,989.48 for which reimbursement was made. We attempted to visually verify the items costing \$500.00 or more. This included the following items:

Item	Date purchased	Amount	Serial number
Vortex recovery machine	06/17/03	\$ 639.95	0320 230
Milwaukee chipping hammer	08/25/03	572.00	216A602240057
MLR Millermatic welder	04/18/02	550.00	LC102295

We were unable to locate the recovery machine or welder. The supply company invoices for these items were signed by the former DCS employee.

We received documentation from Department of Central Services, "Summary of Inventory over \$500 on Capitol Service Invoice", dated January 28, 2004, that reflects the recovery machine located and tagged. The recovery machine that is being shown as found does not match the serial number listed on the supply company invoice. The inventory listing provided by DCS reflects a Toshiba laptop computer. We were provided with a credit card receipt reflecting the purchase of this laptop computer, but we were unable to trace this purchase to a claim submitted by Capitol Service Company for reimbursement. The credit card does not show a date purchased, but does show an expiration date for the credit card used to make the purchase. The credit card expiration date was 11/02; therefore, based on this information, the computer was purchased prior to December 1, 2002. A list of assets dated February 9, 2004, obtained from Department of Central Services, lists the laptop computer twice, once as acquired February 5, 2004 and once on December 31, 2003.

A total of \$170,569.30 was reimbursed to Capitol Service Company for invoices that did not have sufficient information or were not itemized or supported by a supply company invoice; therefore, we were unable to determine what portion of this amount was for tool or equipment purchases.

It appears the contracts between the Department of Central Services and Capitol Service Company do not allow the purchase of tools or equipment. Also, due to the purchasing process used and lack of invoices, it appears the Department of Central Services does not maintain a current inventory of tangible assets as required by 74 O.S. Supp. 2003, § 110.1.

74 O.S. Supp. 2003, § 110.1, states in part:

"A. The Department of Central Services shall maintain a current inventory of tangible assets owned by state boards, commissions, institutions, agencies and the institutions comprising The Oklahoma State System of Higher Education and the University Hospitals Authority.

B. The Director of Central Services shall have authority to promulgate rules to implement the provisions of this section.

D. Tangible assets shall consist of machinery, implements, tools, furniture, livestock, vehicles, and other apparatus that may be used repeatedly without material impairment of its physical condition and have a calculable period of service and a value exceeding the reporting threshold the Director of Central Services establishes for the entity.

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E. Rules that the Director of Central Services promulgates shall cause all tangible assets to be properly coded, tagged, or marked in such a manner that they may be readily identified as property of the State of Oklahoma and that statistical records may be maintained.”

Recommendation: We recommend that the Department of Central Services maintain a current listing of tangible assets as required by statute. Also, we recommend the Attorney General review the finding to determine the necessary action.

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Appendix A								
Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
CONTRACT NO. CYOO7075								
Fiscal year 2004								
1116	07/03/03	5,500.55	250.83	501.70	2,239.60	1,402.07		193.85
1369	07/16/03	498.92	18.21				133.15	26.86
1942	08/12/03	2,945.00			2,945.00			
1943	08/12/03	3,004.00			3,004.00			
3299	09/29/03	1,740.00	105.69	83.35	505.00	775.53		74.62
3681	10/13/03	3,555.00			3,555.00			
3965	10/19/03	6,971.17	23.00		6,695.00	25.95		19.30
00000620	10/13/03	512.34			512.34			
00000978	10/31/03	2,748.00			2,748.00			
Total FY04		27,474.98	397.73	585.05	22,203.94	2,203.55	133.15	314.63
Fiscal year 2003								
1295	07/16/02	2,932.10	196.15		774.50	820.61		151.57
1543	07/24/02	87.75			87.75			
2136	08/16/02	1,172.45	48.20	176.97	465.40	149.32		37.25
2677	09/06/02	801.48			801.48			
3466	10/04/02	1,241.11	172.39	103.97	25.10	469.06		62.62
3763	10/17/02	434.70	28.82	57.65	60.00	221.46		22.27
4012	10/28/02	1,555.16	118.09	236.18	20.00	538.27		70.97
4294	11/06/02	4,447.62	56.37	97.62	3,265.16	51.14	482.77	42.29
5021	12/11/02	10,224.37	98.55	248.76	8,757.00	463.90	45.47	71.75
6048	01/27/03	2,412.83	163.08	97.49	291.59	79.74	154.86	124.65
7106	03/06/03	920.13	66.20	140.92	22.61	72.57		32.36
8281	04/16/03	1,931.63	81.63	209.54	597.00	611.15	99.66	50.07
9368	05/27/03	939.91	57.73	144.11		250.94	160.85	41.56
9663	06/06/03	85.60	2.58	5.37			75.81	0.58
9962	06/18/03	182.65	7.00	14.00	91.68	18.87		5.40
Total FY03		29,369.49	1,096.79	1,532.58	15,259.27	3,747.03	1,019.42	713.34

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Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
Fiscal year 2002								
1405	07/20/01	123.53	1.49	7.10	100.00			1.09
1696	07/31/01	598.10			598.10			
2648	08/28/01	354.83	32.26					23.54
2905	09/11/01	3,850.53	247.51	29.87	1,064.61	35.59	32.64	161.98
3420	09/25/01	895.00	82.04			87.43		59.36
4153	10/22/01	531.00			531.00			
4164	10/23/01	458.36	10.37	0.18	350.00			7.14
4456	11/02/01	325.00			325.00			
5034	11/29/01	656.41	53.60	67.34		217.64		30.66
5810	12/28/01	1,167.14			33.79	149.92		86.72
6340	01/22/02	3,575.90	9.25	23.11	3,451.07			6.75
6859	01/29/02	88.00			88.00			
7556	02/28/02	240.97	20.03	20.72		138.75		15.47
7931	03/07/02	4,244.75	315.28	1.01	793.50	37.95	32.00	34.46
7976	03/08/02	999.50			999.50			
9156	04/15/02	318.22	28.35			42.79		18.03
9868	05/06/02	1,916.65	40.47	46.37	1,123.15	114.55	302.00	7.86
10141	05/13/02	2,968.46	203.30	25.32	711.00	550.00		86.25
10547	05/29/02	3,212.75	85.90		1,754.68	383.30		67.16
11122	06/21/02	2,778.18	70.91	69.28	1,928.88	40.90		54.79
Total FY02		29,303.28	1,200.76	290.30	13,852.28	1,798.82	366.64	661.26
Total contract								
No. CY007075		86,147.45	\$ 2,695.28	\$ 2,407.93	\$ 51,315.49	\$ 7,749.40	\$ 1,519.21	\$ 1,689.23

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Appendix A								
Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
CONTRACT NO. CY007355								
Fiscal year 2004								
1491	07/22/03	976.00			976.00			
1657	07/28/03	2,143.00			2,143.00			
1847	08/08/03	30.00			30.00			
1853	08/08/03	1,780.90			1,780.90			
1854	08/08/03	2,280.00			2,280.00			
2038	08/15/03	34.00			34.00			
2222	08/22/03	944.00			944.00			
2223	08/22/03	1,196.44	127.59	65.94	365.00	240.08		44.53
2344	09/02/03	980.00			980.00			
2651	09/12/03	706.00			706.00			
2656	09/12/03	361.00			361.00			
3080	09/22/03	30.00			30.00			
3294	09/29/03	86.00			86.00			
3327	09/29/03	2,446.00			2,446.00			
3553	10/09/03	3,231.00			3,231.00			
3555	10/09/03	150.00			150.00			
3598	10/09/03	816.00			816.00			
3929	10/18/03	353.00			353.00			
3970	10/19/03	391.50			391.50			
3991	10/19/03	260.00			260.00			
00000709	11/17/03	4,763.43			4,763.43			
00000979	11/11/03	35.50			35.50			
00000997	12/02/03	2,125.00			2,125.00			
00001212	10/30/03	580.03					580.03	
00001243	12/15/03	105.00			105.00			
Total FY04		26,803.80	127.59	65.94	25,392.33	240.08	580.03	44.53

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Appendix A								
Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
Fiscal year 2003								
1320	07/16/02	3,111.00			3,111.00			
1339	07/16/02	128.00			128.00			
1943	08/09/02	2,222.00			2,222.00			
2276	08/22/02	34.00			34.00			
2277	08/22/02	890.00			890.00			
2335	08/23/02	117.46			117.46			
2674	09/06/02	700.33			700.33			
1095	08/15/02	1,248.00			1,248.00			
3281	09/30/02	825.00			825.00			
3286	09/30/02	75.00			75.00			
4292	11/06/02	74.89			74.89			
4293	11/06/02	2,372.38			2,372.38			
4464	11/14/02	20.00			20.00			
4674	11/22/02	241.50			241.50			
5198	12/17/02	135.00			135.00			
5215	12/17/02	1,150.82			1,150.82			
5224	12/17/02	100.00			100.00			
5475	12/30/02	98.00			98.00			
5492	12/30/02	89.50			89.50			
5509	12/30/02	650.00			650.00			
5795	01/09/03	625.68			625.68			
5915	01/16/03	37.70			37.70			
5918	01/16/03	15.50			15.50			
5946	01/16/03	1,470.20			1,470.20			
6049	01/27/03	156.83			156.83			
6712	02/19/03	354.00			354.00			
6822	02/24/03	15.00			15.00			
7331	03/14/03	992.00			992.00			
7347	03/17/03	682.60			682.60			
7841	03/31/03	366.95			366.95			
7859	03/31/03	190.00			190.00			
7943	04/01/03	125.00			125.00			
8451	04/22/03	480.00			480.00			
8881	05/07/03	596.00			596.00			
8923	05/14/03	669.00			669.00			
9312	05/21/03	1,940.00			1,940.00			
9366	05/27/03	166.00			166.00			
9660	06/06/03	1,630.00			1,630.00			
9737	06/11/03	660.00			660.00			
9756	06/11/03	212.00			212.00			
9761	06/11/03	2,233.00			2,233.00			
9805	06/12/03	20.00			20.00			
9922	06/17/03	201.00			201.00			
10030	06/18/03	178.00			178.00			
10168	06/23/03	375.00			375.00			
Total FY03		28,674.34			28,674.34			

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Appendix A								
Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
Fiscal year 2002								
1416	07/20/01	408.00			408.00			
1668	07/30/01	40.00			40.00			
1736	08/02/01	100.00			100.00			
2017	08/10/01	28.00			28.00			
2433	08/22/01	950.00			950.00			
2914	09/11/01	10.00			10.00			
2915	09/11/01	20.00			20.00			
2933	09/11/01	800.00			800.00			
3134	09/19/01	60.00			60.00			
3211	09/21/01	20.00			20.00			
3334	09/25/01	280.00			280.00			
3449	09/28/01	995.00			995.00			
3557	10/01/01	71.00			71.00			
3896	10/15/01	1,013.00			1,013.00			
4030	10/19/01	32.00			32.00			
4196	10/23/01	10.00			10.00			
4365	10/30/01	6.00			6.00			
4385	10/30/01	80.00			80.00			
4934	11/27/01	145.00			145.00			
5035	11/29/01	505.00			505.00			
5036	11/30/01	40.54			40.54			
5038	11/30/01	357.00			357.00			
5711	12/26/01	58.00			58.00			
5767	12/26/01	946.00			946.00			
5812	12/28/01	561.00			561.00			
5837	12/31/01	275.00			275.00			
6487	01/22/02	360.00			360.00			
6678	01/25/02	802.50			802.50			
7210	02/14/02	45.00			45.00			
7703	03/04/02	859.41			859.41			
7847	03/06/02	301.00			301.00			
7861	03/06/02	2,345.00			2,345.00			
8132	03/13/02	1,784.00			1,784.00			
8342	03/21/02	245.00			245.00			
8359	03/21/02	512.00			512.00			
8448	03/25/02	350.00			350.00			
9328	04/19/02	5.00			5.00			
9436	04/22/02	1,850.00			1,850.00			
9881	05/06/02	165.00			165.00			
10028	05/09/02	591.87			591.87			
10054	05/10/02	182.00			182.00			
10087	05/13/02	50.00			50.00			
10385	05/20/02	1,088.00			1,088.00			
10563	05/29/02	200.00			200.00			
10616	05/30/02	24.84			24.84			
10716	06/04/02	483.50			483.50			
10838	06/11/02	1,303.00			1,303.00			
10942	06/13/02	16.00			16.00			
10981	06/14/02	135.00			135.00			
10995	06/14/02	205.00			205.00			
11098	06/19/02	55.00			55.00			
11298	06/26/02	2,341.00			2,341.00			
Total FY02		24,109.66			24,109.66			

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Appendix A								
Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
Total contract								
No. CY00735		\$ 79,587.80	\$ 127.59	\$ 65.94	\$ 78,176.33	\$ 240.08	\$ 580.03	\$ 44.53
CONTRACT NO. CY007074								
22	07/08/03	1,592.00			1,592.00			
57	07/16/03	4,788.00			4,788.00			
71	07/16/03	8,625.19			8,625.19			
75	07/16/03	3,919.04			3,919.04			
Total FY04		18,924.23			18,924.23			
Fiscal year 2003								
668	11/15/02	1,080.00			1,080.00			
686	11/19/02	658.54			658.54			
825	12/18/02	15.00			15.00			
963	01/23/03	53.70			53.70			
973	01/27/03	1,660.00			1,660.00			
999	01/27/03	420.00			420.00			
1203	03/18/03	563.09			563.09			
1267	04/07/03	141.00			141.00			
1275	04/07/03	30.00			30.00			
1294	04/07/03	348.00			348.00			
1355	04/29/03	312.00			312.00			
1442	05/15/03	316.00			316.00			
1556	06/05/03	140.00			140.00			
1619	06/18/03	702.00			702.00			
Total FY03		6,439.33			6,439.33			

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Appendix A								
Claim number	Claim date	Supplies	Markup amount	Excess markup amount	No invoice	Tools	Duplicate payment	Taxes charged
Fiscal year 2002								
153	08/02/01	140.00			140.00			
226	08/20/01	90.00			90.00			
239	08/22/01	700.00			700.00			
319	09/11/01	400.00			400.00			
340	09/18/01	635.00			635.00			
415	09/28/01	515.00			515.00			
479	10/10/01	57.00			57.00			
543	10/23/01	855.00			855.00			
559	10/24/01	485.00			485.00			
616	11/05/01	730.00			730.00			
739	11/29/01	95.00			95.00			
740	11/29/01	750.00			750.00			
838	12/28/01	260.00			260.00			
890	01/14/02	242.50			242.50			
948	01/16/02	533.75			533.75			
1033	01/25/02	364.00			364.00			
1038	01/25/02	240.00			240.00			
1203	03/05/02	1,050.00			1,050.00			
1480	04/15/02	287.00			287.00			
1559	04/26/02	789.00			789.00			
1648	05/13/02	187.00			187.00			
1726	05/30/02	380.00			380.00			
1768	06/04/02	95.00			95.00			
1807	06/12/02	575.27			575.27			
1808	06/12/02	269.40			269.40			
1824	06/13/02	244.00			244.00			
1827	06/13/02	3,600.00			3,600.00			
Total FY02		14,568.92			14,568.92			
Total contract								
No. CY007074		\$ 39,932.48			\$ 39,932.48			
CONTRACT NO. CF006641								
Fiscal year 2004								
3525	10/09/03	30.00			30.00			
00000610	10/22/03	1,115.00			1,115.00			
Total		\$1,145.00			\$1,145.00			
Total contracts		\$206,812.73	\$2,822.87	\$2,473.87	\$170,569.30	\$7,989.48	\$2,099.24	\$1,733.76

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APPENDIX "B"

Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
CONTRACT NO. CY007075										
FY 2004										
1116	6/16/03	912.00	167.58			(744.42)				
1143	6/12/03	190.00				(190.00)				
1369	6/6/03	114.00				(114.00)				
1942	6/29/03	285.00	38.86			(246.14)				
1943	7/21/03	437.00	265.64		(38.00)	(133.36)				
3132	7/24/03	646.00	198.86		(114.00)	(333.14)				
3299	9/28/03	1,064.00	738.92			(325.08)				
3681	9/19/03	2,109.00	2,159.26		(190.00)	240.26				
3965	10/14/03	2,333.00	1,535.78	(192.36)	(376.00)	37.14		(266.00)		
620	11/24/03	1,615.00	1,058.50		(133.00)	(200.90)		(228.00)	5.40	
978	10/31/03	2,052.00			(2,052.00)					
FY 2004 TOTAL		\$ 11,757.00	\$ 6,163.40	\$ (192.36)	\$ (2,903.00)	\$ (2,009.64)	\$ -	\$ (494.00)	\$ 5.40	\$ -
FY 2003										
1021	6/21/02	576.00			(576.00)					
1543	6/29/02	1,044.00	478.50		(783.00)	217.50				
2136	7/31/02	1,044.00	410.64		(580.00)	(53.36)				
3280	8/26/02	1,608.00	391.50		(1,144.00)	(72.50)				
3763	9/30/02	1,900.00	1,656.40			(83.60)		(160.00)		
4012	10/14/02	406.00			(406.00)					
4294	10/25/02	2,320.00	1,320.40		(646.96)	(352.64)				
6048	12/28/02	3,504.00	2,737.20			(766.80)				
7106	2/9/03	500.00			(500.00)					
8281	3/27/03	1,160.00	864.80			(295.20)				
9368	5/13/03	76.00			(76.00)					
9663	5/29/03	171.00	111.36		(18.60)	(41.04)				
9962	6/4/03	437.00	251.68			(185.32)				
FY 2003 TOTAL		\$ 14,746.00	\$ 8,222.48	\$ -	\$ (4,730.56)	\$ (1,632.96)	\$ -	\$ (160.00)	\$ -	\$ -

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
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APPENDIX "B"

Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
FY 2002										
1405	7/11/01	1,388.00	362.50		(684.00)	(66.50)			(275.00)	
1696	7/16/01	348.00	333.50			(14.50)				
2648	8/14/01	594.00			(594.00)					
4153	10/5/01	192.00			(152.00)	(40.00)				
4164	9/28/01	1,392.00	604.50				(787.50)			
5034	10/29/01	2,546.00	2,329.08			(216.92)				
6340	1/3/02	76.00			(76.00)					
6859	1/10/02	1,596.00			(1,596.00)					
7446	1/30/02	608.00			(608.00)					
7931	1/22/02	2,318.00								(2,318.00)
7976	2/11/02	532.00								(532.00)
8407	3/8/02	532.00								(532.00)
9868	4/16/02	342.00								(342.00)
10141	4/30/02	2,022.00	828.82		(1,094.00)	(99.18)				
10547	5/10/02	1,330.00	532.00		(646.00)	(152.00)				
11122	6/9/02	850.00	1,759.22		(38.00)	947.22				
FY 2002 TOTAL		\$ 16,666.00	\$ 6,749.62	\$ -	\$ (5,488.00)	\$ 358.12	\$ (787.50)	\$ -	\$ (275.00)	\$ (3,724.00)
CONTRACT TOTAL		\$ 43,169.00	\$ 21,135.50	\$ (192.36)	\$ (13,121.56)	\$ (3,284.48)	\$ (787.50)	\$ (654.00)	\$ (269.60)	\$ (3,724.00)

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
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APPENDIX "B"

Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
CONTRACT NO. CY007355										
FY 2004										
709	11/25/03	2,277.00			(1,189.00)					(1,088.00)
979	11/11/03	56.00								(56.00)
997	12/2/03	94.00								(94.00)
1212	10/30/04	712.00								(712.00)
1243	12/17/03	441.00	250.51			15.51				(206.00)
1416										
1491	6/4/03	224.00								(224.00)
1657	6/30/03	432.00								(432.00)
1847	5/15/03	94.00			(94.00)					
1853	4/11/03	168.00								(168.00)
1854	4/11/03	224.00								(224.00)
2038	7/25/03	150.00								(150.00)
2124	7/25/03	94.00			(94.00)					
2222	7/24/03	1,536.00			(1,536.00)					
2223	7/31/03	399.00	278.24			(120.76)				
2344	6/27/03	280.00			(280.00)					
2651	8/6/03	224.00			(224.00)					
2656	8/13/03	441.00								(441.00)
3080	9/4/03	47.00								(47.00)
3294	9/3/03	168.00			(168.00)					
3327	9/20/03	1,251.00			(1,251.00)					
3553	9/23/03	1,269.00			(1,269.00)					
3555	9/24/03	936.00								(936.00)
3598	10/2/03	431.00								(431.00)
3929	10/4/03	318.00			(318.00)					
3970	10/3/03	252.00	123.76		(112.00)	(16.24)				
3991	10/3/03	28.00			(28.00)					
FY 2004 TOTAL		\$ 12,546.00	\$ 652.51	\$ -	\$ (6,563.00)	\$ (121.49)	\$ -	\$ -	\$ -	\$ (5,209.00)

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH JANUARY 12, 2004**

APPENDIX "B"										
Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
FY 2003										
1320	6/26/02	364.00		(364.00)						
1339	6/21/02	56.00			(56.00)					
1943	6/21/02	784.00			(784.00)					
2276	7/9/02	84.00			(84.00)					
2277	7/5/02	168.00			(168.00)					
2335	8/15/02	56.00			(56.00)					
2674	8/25/02	336.00			(336.00)					
2681	8/13/02	112.00			(112.00)					
2925	8/15/02	552.00			(168.00)	(384.00)				
3281	9/19/02	144.00			(144.00)					
3286	8/15/02	144.00				(144.00)				
4292	10/18/02	56.00				(56.00)				
4293	10/14/02	1,176.00			(756.00)				(420.00)	
4295	10/18/02	56.00			(56.00)					
4464	10/31/02	96.00			(96.00)					
4674	10/27/02	168.00			(168.00)					
5198	11/8/02	188.00			(94.00)	(94.00)				
5215	11/26/00	168.00			(168.00)					
5224	10/31/02	28.00			(28.00)					
5475	12/12/02	28.00			(28.00)					
5492	12/12/02	56.00			(56.00)					
5509	11/26/02	168.00			(168.00)					
5795	11/26/02	140.00			(140.00)					
5915	12/30/02	56.00			(56.00)					
5918	12/30/02	280.00			(280.00)					
5946	12/30/02	680.00			(420.00)			(200.00)	(60.00)	

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
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APPENDIX "B"										
Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
6049	12/30/02	56.00			(56.00)					
6712	1/22/03	224.00			(224.00)					
6822	1/22/03	140.00			(140.00)					
7331	3/13/02	308.00			(308.00)					
7347	2/20/03	172.00			(172.00)					
7841	2/9/03	280.00			(280.00)					
7859	2/28/03	56.00			(56.00)					
7943	3/8/03	364.00			(364.00)					
8451	3/25/03	196.00				(196.00)				
8881	4/22/03	224.00			(224.00)					
8923	4/22/03	364.00			(252.00)	(112.00)				
9312	4/4/03	560.00			(448.00)	(112.00)				
9366	4/4/03	84.00			(84.00)					
9367	5/6/03	168.00	97.76			(25.76)			(44.48)	
9660	5/23/03	280.00			(280.00)					
9737	5/28/03	235.00			(235.00)					
9756	5/29/03	338.00	141.00		(103.00)	(94.00)				
9761	5/13/03	940.00			(940.00)					
9805	5/9/03	56.00			(56.00)					
9922	5/29/03	178.00			(140.00)			(38.00)		
10030	6/4/03	154.00			(154.00)					
10168	6/12/03	235.00			(235.00)					
FY 2003 TOTAL		\$ 11,756.00	\$ 238.76	\$ (364.00)	\$ (9,173.00)	\$ (1,217.76)	\$ -	\$ (238.00)	\$ (524.48)	\$ -

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH JANUARY 12, 2004**

APPENDIX "B"										
Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
FY 2002										
1445	7/12/01	188.00	30.24		(140.00)	2.24			(20.00)	
1668	7/19/01	124.00			(84.00)				(40.00)	
1736	7/15/01	533.00							(100.00)	(433.00)
2017	7/6/01	94.00	56.00					(38.00)		
2433	7/13/01	141.00								(141.00)
2695	8/13/01	394.00			(394.00)					
2866	8/16/01	1,202.00			(1,202.00)					
2914	8/27/01	94.00			(94.00)					
2915	8/8/01	532.00			(532.00)					
2933	8/13/01	98.50								(98.50)
2941	8/29/01	141.00								(141.00)
3134	8/29/01	375.00			(375.00)					
3211	8/27/01	94.00			(94.00)					
3334	8/30/01	131.00								(131.00)
3449	9/17/01	240.00			(240.00)					
3557	9/3/01	188.00								(188.00)
3896	9/25/01	84.00			(84.00)					
4030	9/20/01	42.00				(42.00)				
4196	10/5/01	732.00			(732.00)					
4365	9/25/01	450.00			(450.00)					
4385	10/5/01	166.00			(166.00)					
4934	10/16/01	112.00			(112.00)					
4970	10/16/01	56.00			(56.00)					
5020	10/11/01	94.00								(94.00)
5035	11/4/01	336.00								(336.00)
5036	11/14/01	28.00								(28.00)
5038	11/1/01	196.00			(196.00)					
5711	11/30/01	252.00								(252.00)
5758	12/14/01	650.00	650.00							
5767	11/29/01	228.00			(168.00)				(60.00)	
5812	10/31/01	366.00	171.99			(194.01)				
5837	12/7/01	1,368.00	141.00		(992.00)	(235.00)				

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH JANUARY 12, 2004**

APPENDIX "B"

Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
6039	12/7/01	1,800.00	1,800.00							
6487	12/21/01	168.00			(168.00)					
6678	1/10/02	168.00			(168.00)					
7210	1/10/02	196.00								(196.00)
7703	1/31/02	380.00			(380.00)					
7847	12/26/01	252.00								(252.00)
7861	2/11/02	420.00		(252.00)	(168.00)					
8132	2/26/02	280.00			(280.00)					
8342	3/8/02	84.00	51.24			(32.76)				
8359	3/5/02	84.00			(84.00)					
8448	1/28/02	28.00			(28.00)					
8568	3/1/02	56.00								(56.00)
8702	3/18/02	56.00								(56.00)
9328	4/10/02	206.00								(206.00)
9428	3/17/02	84.00			(84.00)					
9436	4/2/02	375.00								(375.00)
9881	4/2/02	141.00			(141.00)					
10028	3/18/02	196.00	65.24		(84.00)	(46.76)				
10054	4/11/02	150.00			(150.00)					
10087	4/24/02	84.00			(84.00)					
10385	5/6/02	112.00								(112.00)
10616	5/16/02	28.00			(28.00)					
10716	5/16/02	224.00			(224.00)					
10838	4/30/02	206.00	42.00		(150.00)	(14.00)				
10942	5/31/02	84.00								(84.00)
10981	4/30/02	364.00	959.00		(252.00)	847.00				
10995	5/16/02	122.00								(122.00)
11098	5/27/02	56.00								(56.00)
11298	6/10/02	459.00								(459.00)
FY 2002 TOTAL		\$ 16,592.50	\$ 3,966.71	\$ (252.00)	\$ (8,584.00)	\$ 284.71	\$ -	\$ (38.00)	\$ (220.00)	\$ (3,816.50)
CONTRACT TOTAL		\$ 40,894.50	\$ 4,857.98	\$ (616.00)	\$ (24,320.00)	\$ (1,054.54)	\$ -	\$ (276.00)	\$ (744.48)	\$ (9,025.50)

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH JANUARY 12, 2004**

APPENDIX "B"										
Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
CONTRACT NO. CY007074										
FY 2004										
75	5/29/03	1,632.75								(1,632.75)
71	6/28/03	1,292.25								(1,292.25)
57	6/27/03	752.00			(752.00)					
22	6/17/03	854.00			(854.00)					
FY 2004 TOTAL		\$ 4,531.00	\$ -	\$ -	\$ (1,606.00)	\$ -	\$ -	\$ -	\$ -	\$ (2,925.00)
FY 2003										
1619	6/4/03	112.00			(112.00)					
1556	5/6/03	28.00			(28.00)					
1442	3/24/03	140.00			(140.00)					
1355	3/26/03	28.00			(28.00)					
1294	2/28/03	112.00			(112.00)					
1275	3/8/03	412.00			(392.00)				(20.00)	
1267	3/10/03	28.00			(28.00)					
1203	2/14/03	84.00			(84.00)					
973	10/18/02	140.00				(140.00)				
963	12/27/02	28.00			(28.00)					
825	11/8/02	141.00			(141.00)					
686	10/18/02	56.00				(56.00)				
668		920.00			(920.00)					
FY 2003 TOTAL		\$ 2,229.00	\$ -	\$ -	\$ (2,013.00)	\$ (196.00)	\$ -	\$ -	\$ (20.00)	\$ -

**DEPARTMENT OF CENTRAL SERVICES
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH JANUARY 12, 2004**

APPENDIX "B"

Claim Number	Capitol Service Invoice Date	Amount Claimed	Amount Allowed	Duplicate Charge	Did Not Sign In/Out	Sign In/Out Disagrees w/ Billing	Labor Not Itemized	Apprentice Only	Incorrect Hourly Rate	Contract / Sign In/Out Unavailable
FY 2002										
153	7/20/01	58.00							(58.00)	
226	8/2/01	47.00								(47.00)
239	8/6/01	117.50								(117.50)
319	8/23/01	799.00								(799.00)
340	8/14/01	329.00								(329.00)
415	8/28/01	94.00								(94.00)
543	10/6/01	450.00								(450.00)
559	9/27/01	225.00								(225.00)
616	10/15/02	564.00								(564.00)
739	11/2/01	103.00								(103.00)
740	11/3/01	951.00								(951.00)
838	11/21/01	318.00								(318.00)
890	11/22/01	252.00								(252.00)
948	1/3/02	168.00			(168.00)					
1033	1/14/02	224.00								(224.00)
1038	1/14/02	56.00								(56.00)
1203	2/13/02	168.00								(168.00)
1480	4/2/02	225.00			(225.00)					
1559	4/2/02	376.00								(376.00)
1648	4/30/02	84.00			(84.00)					
1768	5/16/02	336.00			(336.00)					
1807	5/28/02	141.00								(141.00)
1808	5/28/02	56.00								(56.00)
1827	6/6/02	56.00			(56.00)					
FY 2002 TOTAL		\$ 6,197.50	\$ -	\$ -	\$ (869.00)	\$ -	\$ -	\$ -	\$ (58.00)	\$ (5,270.50)
CONTRACT TOTAL		\$ 12,957.50	\$ -	\$ -	\$ (4,488.00)	\$ (196.00)	\$ -	\$ -	\$ (78.00)	\$ (8,195.50)
CONTRACT NO. CF006641										
FY 2004										
3525	9/19/03	114.00			(114.00)					
610	10/31/03	1,576.00	45.00		(1,538.00)				7.00	
FY 2004 TOTAL		\$ 1,690.00	\$ 45.00	\$ -	\$ (1,652.00)	\$ -	\$ -	\$ -	\$ 7.00	
CONTRACT TOTAL		\$ 1,690.00	\$ 45.00	\$ -	\$ (1,652.00)	\$ -	\$ -	\$ -	\$ 7.00	\$ -
GRAND TOTAL		\$ 98,711.00	\$ 26,038.48	\$ (808.36)	\$ (43,581.56)	\$ (4,535.02)	\$ (787.50)	\$ (930.00)	\$ (1,085.08)	\$ (20,945.00)