

**OKLAHOMA GRAND RIVER DAM AUTHORITY  
SPECIAL AUDIT  
FOR THE PERIOD 1999 THROUGH 2002**

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STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan  
State Auditor and Inspector

**TO THE HONORABLE LARRY E. ADAIR  
SPEAKER OF THE HOUSE OF REPRESENTATIVES**

Transmitted herewith is the Grand River Dam Authority Special Audit for the period of 1999 through 2002. The procedures we performed were conducted pursuant to 74 O.S. Supp. 2000, § 212.

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 that is accountable to the people of the State of Oklahoma

Sincerely,

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

Jeff A. McMahan  
State Auditor and Inspector

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## *Executive Summary*

### Supplemental Deferred Compensation Plan

The Grand River Dam Authority (GRDA) was created as a conservation and reclamation district and was declared to be a governmental agency of the State of Oklahoma. As such, it has only those powers specifically authorized by law or those necessary or implied from them. It is our belief that all funds received by GRDA are public funds and should be treated as such.

In 1994, the GRDA established a supplemental deferred compensation plan and began making contributions for the top administrative officials of GRDA. This is in addition to the State retirement benefit that all State employees receive. During the life of the Plan, GRDA made \$965,000 in contributions and paid out \$42,929.36 to one employee. On June 6, 2002, the Oklahoma Attorney General issued Opinion 02-23, which determined that GRDA could not provide additional benefits to top administrative officials through supplemental retirement plans. GRDA has suspended all transactions of the Plan. However, GRDA continues to hold approximately \$978,916 in the Plan and asserts that it has the authority to provide this type of deferred compensation, disagreeing with the Attorney General's Opinion.

We recommend that GRDA comply with the Attorney General's Opinion by dissolving the Plan and returning all contributions to the Authority, including all payments made from the Plan.

### Grand River Dam Authority Expenses

All revenue received by such a state agency, though not raised by taxes, are, nonetheless, public funds and may be expended only as authorized by law. Many expenditures, which may be usual and customary in the energy industry, are inappropriate for an agency of the state and may not be made without specific statutory authority. As a result GRDA does not have the same freedom to act as a private energy company. GRDA has expended funds for numerous items that do not appear to have a public purpose or specific statutory authority. Further, GRDA's purchasing procedures have not been approved by the Department of Central Services as required by law.

#### Summary

Other Expenses (page 8)	
Car Allowances	\$133,752.70
Tuition Reimbursement	12,191.53
Food	52,780.00
Picnics	68,353.00
Christmas Gift Certificates	19,360.00
Flowers	814.00
Marketing Expenses (page 12)	
Trade Sponsorship	64,039.90
Municipal Advertising	115,648.41
Municipal Event Sponsorship	130,480.05
Education/scholarships	42,678.62
Promotional Items	136,630.46
Christmas	7,119.16
General Print Advertising	16,863.22
Billboard Advertising	42,198.14
Trade Show Advertising	6,543.80
Credit Card Expenses (page 12)	
Golf Green Fees	1,704.00
Gifts to Board Members	611.00

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Gasoline	312.00
Other expenditures including:	74,186.00
Business meals, flowers, airline tickets, hotel charges, frames, exhibit supplies, clothes and artwork	<u>                    </u>
 Total	 \$ <u>926,265.99</u>

We recommend that the Attorney General review these expenditures to determine whether or not they are appropriate.

## BACKGROUND

The Grand River Dam Authority (GRDA) was created by the 15<sup>th</sup> Oklahoma Legislature in 1935 to serve as a "conservation and reclamation district for the waters of the Grand River." The Grand River Dam Authority Act (82 O.S. §861, et seq.) established GRDA as a state agency and authorized it to build dams on the Grand River for the purposes of hydroelectric production, recreation, and flood control. Development of natural resources for the State of Oklahoma was a responsibility included in the Act.

The powers and functions of GRDA are exercised by a nine-member Board of Directors with vacancies filled from nominees selected by a combination of different entities as follows: one director selected by the electric cooperatives, one by the municipal customers of GRDA, one by the industrial customers of GRDA, one by the Grand River Authority Lakes Advisory Commission, one by the President Pro Tempore of the State Senate, one by the Speaker of the House of Representatives, one by the Governor as an at-large director, the State Bond Advisor or his/her designee as an *ex officio*, voting director, and the State Treasurer, or his/her designee, also an *ex officio*, voting director. The Governor selects an appointee from the nominees and request confirmation by the State Senate, except for the State Bond Advisor and State Treasurer. The Authority is self-sustaining with revenue coming from the sale of power and water on a cost-of-service basis to pay the operation and maintenance cost as well as the bond indebtedness.

## Current Board Members

James W. Perry  
Fredrick Drummond  
Mike Herron  
C. Gene Quarles  
Jim Swank

Barbara Conner  
Robert S. Gee  
W.R. Horkey  
Stephen R. Spears

## Limitation of Audit

Throughout this report, the numerous references to state statutes and legal authorities are cited as criteria used to evaluate various transactions.

The inclusion of these references to specific statutes or authorities within this report does not, and is not intended to, constitute a determination by the State Auditor and Inspector that the Authority or any individuals named in this report or acting on behalf of the Authority have violated any statutory requirement or prohibition imposed by law. All cites and/or references to specific legal provisions are included within this report for the sole purpose of enabling the administration and other interested parties to review and consider the cited provisions, independently ascertain whether or not the Authority's policies, procedures or practices should be modified or discontinued, and to independently evaluate whether or not the recommendations made by this office should be implemented.

The State Auditor and Inspector has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.

## SCOPE

Pursuant to the request of the Speaker of the House, the objective of our audit was primarily to address the transactions of the Supplemental Deferred Compensation Plan. The objectives were as follows:

1. To document and evaluate GRDA's supplemental deferred compensation plan for accuracy, proper disclosure, and compliance with laws and regulations.
2. To examine and analyze expenditures for compliance with laws and regulations and to identify any unusual transactions.

## ACRONYMS

**CAFR** – Comprehensive Annual Financial Report  
**DCS** – Department of Central Services  
**FASB** – Financial Accounting Standards Board  
**FERC** – Federal Energy Regulatory Commission  
**GASB** – Governmental Accounting Standards Board  
**GRDA** – Grand River Dam Authority  
**IRC** – Internal Revenue Code  
**SB** – Senate Bill  
**The Plan** – Supplemental Compensation Plan

## FINDINGS AND RECOMMENDATIONS

### Supplemental Deferred Compensation Plan

#### Plan History and Background

**Audit Approach:** We reviewed the board meeting minutes, documents, and financial accounting records to identify the transactions and events that occurred since the inception of the Supplemental Deferred Compensation Plan, hereinafter referred to as "the Plan". We also determined whether transactions continued after the Attorney General's Opinion was issued.

**Results:** On **July 15, 1994**, GRDA received a letter from its outside legal counsel addressing issues related to the draft of the GRDA Supplemental Retirement Benefit Plan. The letter states, "As no legal rulings or decisions have considered the issue, the Board may reasonably take the position that 74 O.S. §3601 does not prohibit benefits under the proposed plan...."

On **July 20, 1994**, the Board of GRDA approved a Supplemental Compensation Plan. This is in addition to the State retirement benefit that all State employees receive. The Plan was enacted on this date and included only one participant, the General Manager. A Joinder Agreement was entered into allowing for a \$25,000 annual payment into the Plan for the General Manager.

An amendment to the Plan was approved on **July 17, 1996**, to increase the payment an additional \$25,000 (\$50,000 annually) for the General Manager, which was to continue from July 1, 1996 through July 1, 2003. The Board also approved the participation of the General Counsel and other Assistant General Managers in Plan.

The Joinder Agreement for the Assistant General Manager of Thermal Generation was approved on **December 18, 1996**, for participation in the Deferred Compensation Plan at \$10,000 (\$20,000) semi-annually from January 1, 1997 to January 1, 1999. Additional participants as stated below were also approved on December 18, 1996:

- Assistant General Manager of Administration approved for \$10,000 semi-annually through July 1, 2007.
- Assistant General Manager of Marketing Services approved for \$10,000 semi-annually through January 1, 2014.
- Assistant General Manager of Regulatory Compliance and Risk Management approved for \$10,000 semi-annually through July 1, 2007.
- General Counsel approved for \$10,000 semi-annually through January 1, 2005.

On **September 16, 1998**, the Joinder Agreement for the Assistant General Manager of Hydro, Transmission and SCADA Communication was approved to receive \$10,000 semi-annually from January 1, 1999 to January 1, 2003.

Upon retirement of the Assistant General Manager of Thermal Generation, a new manager was promoted on March 17, 1999. The new Assistant General Manager of Thermal Generation was approved on **March 17, 1999**, to receive \$10,000 semi-annually from July 1, 1999 to July 1, 2011.

Retirement payments to the Assistant General Manager of Thermal Generation were to be paid "one check annually during the month of January, and each January thereafter for four (4) consecutive years beginning January 2000". Three installments were paid totaling \$42,929.36. The final payment has been suspended as a result of the Attorney General's Opinion 02-023 dated June 6, 2002.



On **August 21, 2000**, the Plan reimbursed \$85,918.71 to GRDA upon termination of an Assistant Manager for whom GRDA had been making contributions.

On **March 4, 2002**, the Board received a legal opinion from outside counsel. The legal opinion states, "We believe that the GRDA has acted well within its specific and general authority in the law in creating the deferred compensation plan at issue."

Senator Price requested an Attorney General's Opinion regarding legal issues of the Supplemental Deferred Compensation Plan in a letter dated **June 2002**.

On **June 6, 2002**, the Attorney General issued Opinion 02-23 (See Appendix) concluding that the GRDA does not have the authority to provide additional benefits to its general manager and top administrative officials.

On **September 11, 2002**, a legal opinion was obtained by the GRDA from outside counsel that states the Board of GRDA has complied with the Opinion of the Attorney General, and further states, "The contributions have remained and will remain invested until such time that a court of competent jurisdiction relieves it of its obligation to follow the Attorney General's Opinion."

<b>Plan Contributions</b>		
<b>Title</b>	<b>Contributions</b>	<b>Fair Market Value as of September 20, 2002</b> ***
General Manager	\$375,000	\$ 473,029
Asst. General Manager of Regulatory Compliance and Risk Management	110,000	99,030
Asst. General Manager of Administration	110,000	127,907
General Counsel	110,000	60,525
Former Assistant General Manager of Thermal Generation	50,000	16,211**
Assistant General Manager of Marketing	80,000	60,525*
Assistant General Manager of Hydro, Transmission and SCADA Communication	70,000	77,010
Assistant General Manager Thermal Generation	60,000	64,679
<b>Total</b>	<b>\$965,000</b>	<b>\$978,916</b>

\* Employee terminated on August 31, 2000. The GRDA was reimbursed in three installments totaling \$85,918.71.

\*\* Employee retired on April 1, 1999. Three retirement payments were made to this employee totaling \$42, 929.36.

\*\*\* Investments were made in various Mutual Funds, Government Securities, savings, and CD's.

### **Compliance with Laws and Regulations**

**Audit Approach:** We identified the relevant laws and regulations (state and federal) for deferred compensation plans. Statutes mandating the compensation of GRDA's officials were also identified. The Plan, Joinder agreements, amendments, transactions, and board minutes were examined to determine compliance with those laws and regulations.

#### **FINDING 1. DEFERRED COMPENSATION PLAN**

**Criteria:** 74 O.S.2001, §910 states: "No...state governmental agency, shall institute a retirement system other than as provided in this act, except as to any other supplemental retirement plans otherwise expressly provided for by law."

The Attorney General issued an opinion on June 6, 2002, in response to the following question, "May the Grand River Dam Authority (GRDA), a state agency, provide additional benefits in the form of tax sheltered deferment plans or supplemental retirement plans to its general manager and top administrative officials, even if State law does not specifically authorize those benefits?"

The Attorney General's Opinion states: "The GRDA cannot provide additional benefits to the general manager and top administrative officials in tax sheltered deferment plans or supplemental retirement plans because these benefits are not specifically authorized by state law, nor can they be fairly implied from the explicit authority given to GRDA."

The full context of the Attorney General's Opinion 02-23 is located in the Appendix of this report.

**Condition:** It appears the GRDA provided supplemental deferment plans for which it did not have the authority.

**Recommendation:** We recommend GRDA seek restitution of supplemental benefits paid to a GRDA employee upon retirement. We also recommend GRDA dissolve the Plan and return the funds in the Plan to the Authority.

### **Presentation and Disclosure**

**Audit Approach:** We obtained the Comprehensive Annual Financial Reports (CAFR) of GRDA from the inception of the Plan in 1994 through 2001. We reviewed the fiscal years 1998 to current for proper presentation and disclosure in accordance with GASB 32. We reviewed the financial statements issued before 1998 for proper presentation and disclosure under FASB 106.1.

**Results:** The financial statements for fiscal years 1998 through fiscal year 2001 appear to properly present and disclose the assets and liabilities of the Plan.

**Conclusion:** According to the Attorney General's Opinion 02-23, GRDA does not have the authority to provide for a Supplemental Deferred Compensation Plan. Since the inception of the Plan in 1994, transactions were presented and disclosed in GRDA's financial statements in accordance with GASB and FASB requirements. GRDA has suspended all transactions of the Plan. During the life of the Plan, GRDA made \$965,000 in contributions and paid out \$42,929.36 to one employee. GRDA continues to hold approximately \$978,916 in the Plan. We recommend that GRDA dissolve the Plan, return those funds to the GRDA, and seek restitution of funds improperly paid. The Board approved all transactions and agreements with regard to the Plan in its Board meetings.

## Grand River Dam Authority Expenses

**Summary:** We analyzed the expenses of the GRDA for the period January 1999 through December 2001. Significant increases in expenses were noted for each fiscal year. We investigated these expenses and discussed them with management. During our analysis, we noted expenses that appeared unreasonable or questionable. We examined claims and invoices for these expenses to ascertain their nature and purpose. Specific expense categories examined were:

- Employee Expense Reimbursement
  - Tuition Reimbursement
  - Travel Claim Expenses
  - Vehicle Allowances
- Other Expenses
  - Miscellaneous Expenses
  - Marketing Expenses
  - Credit Card Usage
  - Cell Phone Usage

### Employee Expense Reimbursement

Types of reimbursements to employees consist of tuition reimbursement, travel claim expenses, and vehicle allowances. We tested expenses in each of these categories as indicated in the following findings:

#### FINDING 1. TUITION REIMBURSEMENT

**Audit Approach:** We analyzed the expenses of the GRDA for the period January 1999 through December 2001. Significant increases in expenses were noted for each fiscal year. We investigated these expenses and discussed them with management. During our analysis, we noted expenses that appeared unreasonable or questionable. We examined claims and invoices for these expenses to ascertain their nature and purpose.

**Criteria:** GRDA's policies and procedures for tuition reimbursement state:

A policy cooperating with employees in taking correspondence courses or other schooling has been adopted by the Authority and on the following basis:

- 1) The course was job related and has approval of the plant superintendent and/or the department head and the General Manager.
- 2) The course was completed within three years with a passing grade.
- 3) The regular fee for such schooling was paid by the employee when due.
- 4) After these conditions have been met, the authority reimbursed the employee for the entire cost of the course, but not including any extra charges, such as interest, installment plan charges, etc.
- 5) Cost of the course includes books, tuition and when properly approved, mileage, if necessary.
- 6) This program will include correspondence courses and class attendance courses and any employee engaged in them must do so on his (or her) own time.

**Condition:** GRDA does not have statutory authority to provide tuition reimbursement for its employees. Reimbursement for continuing professional education is allowed; however, tuition reimbursement for courses

toward a degree or classes unrelated to the Authority are not allowable. We noted several discrepancies regarding payments and approvals that indicate GRDA is not following its policy.

**Effect:** GRDA paid tuition reimbursement that may not be job related and in violation of GRDA policy.

**Recommendation:** We recommend GRDA change its policies and procedures to preclude such improper reimbursements.

### *Travel Claim Expenses*

#### **FINDING 2. TRAVEL REIMBURSEMENT**

**Audit Approach:** We examined a sample of travel claim expenses reimbursed to GRDA employees for fiscal years 1999 through 2001 to test for compliance with the State Travel Reimbursement Act. These expenses do not include travel expenses paid directly to airlines, travel agents, etc.

74 O.S.2001, §500.18A states: "Except for members of the Legislature, the Governor and the Lieutenant Governor, provisions of Sections 500.1 through 500.18 of this title shall be mandatory for all officials and employees of all departments, boards, commissions and institutions of the state, regardless of the provisions of any other act of the Legislature[.]"

The Grand River Dam Authority is an agency of the State of Oklahoma and is required to comply with the pertinent state statutes.

**Criteria:** 74 O.S.2001, §500.9E states, "Reimbursement for meals and lodging on out-of-state trips shall not begin more than twenty-four (24) hours before the meeting...and shall not continue more than twenty-four (24) hours after said meeting...ends."

74 O.S.2001, §500.18A states, "The enactment of any measure in the future providing for travel reimbursement of state officers and employees on the basis of "actual and necessary" expenses or in any other manner inconsistent with sections 500.1 through 500.18 of this title shall be deemed to provide for reimbursement[.]"

74 O.S.2001, §500.4C states, "Reimbursement for authorized use of privately owned motor vehicles...Distances for which reimbursement for use of privately owned motor vehicles is claimed shall not exceed distances set forth in the latest Transportation Commission road map. Vicinity travel on official business shall be entered on travel claims as a separate item."

74 O.S.2001, §500.9A states, "Reimbursement for overnight lodging, while in official travel status, may be made at not to exceed an amount authorized by the provisions of the Internal Revenue Code of 1986, as amended, for deductibility of expenses for travel while away from home...Receipts issued by the hotel, motel or other public lodging place shall accompany claims for reimbursement."

74 O.S.2001, §500.3 states, "Claims or vouchers for reimbursement for expenses incurred in official travel shall not cover periods in excess of thirty-one (31) days."

74 O.S. 2001, § 500.11B.1. and B.3. state,

"B.1. Except as otherwise provided by this section, reimbursement for out of state transportation costs as authorized by this section shall not exceed the normal charge for the type of transportation

used, but in no instance shall reimbursement for transportation used in lieu of commercial airplane exceed the cost of coach class air fare.

...  
B.3. Claims for reimbursement by commercial airplane shall be accompanied by the passenger's duplicate of airline ticket, or other airline receipt, which includes information as to class of accommodation for which reimbursement is claimed."

74 O.S. 2001, §500.2.A.states in part:

"Officials and employees of the state, traveling on authorized state business, may be reimbursed for expenses incurred in such travel in accordance with the provisions of the State Travel Reimbursement Act and existing statutes relating to state travel. Persons who are not state employees but who are performing substantial and necessary services to the state which have been directed or approved by the appropriate department official shall enjoy the protection of the sovereign immunity of the state to the same extent as a paid employee. Such persons may be reimbursed for expenses incurred during authorized official travel under these same statutory provisions, provided it is indicated on the claim the person is not a state employee, a description of services performed is entered, and the agency head by his approval of the claim certifies such services were substantial and necessary, and germane to the duties and functions of the reimbursing agency."

**Condition:** We noted the following board member and employee travel expenses totaling \$ 3,960.78. We consider these expenses questionable.

- Three travel claims totaling \$3,845.02 exceeded the statutory period of 31 days.
- Seven travel claims did not separately identify map mileage and vicinity mileage.
- Two claims for reimbursement of lodging were overpaid \$115.76.
- Five travel claims indicate that travel status began or ended in excess of the 24 hour allowed period.
- Additional expenses for rental car upgrades and/or personal use of rental cars.
- One board member was paid a \$400 allowance for airfare instead of being reimbursed for the actual cost of the airfare according to the provisions of the State Travel Reimbursement Act. This was noted on two separate travel claims.
- One board member submitted a reimbursement request for travel costs for his spouse.

**Cause:** GRDA policies and procedures conflict with the State Travel Reimbursement Act and fail to address the improper travel expenses noted above. In addition, there were two memos, one issued March 8, 1988, and the other issued June 26, 1996, specifically condoning the reimbursement of certain travel expenses for spouses of Board members (see appendix 2).

**Effect:** The State Travel Reimbursement Act was not followed which appears to have resulted in excessive costs incurred or overpayment of reimbursement. The policies and procedures of GRDA appear to conflict with the guidelines in the State Travel Reimbursement Act. GRDA's policies and procedures are also extremely vague and do not adequately convey the requirements for employee reimbursement. Travel expenses were reimbursed to employees who violated the Travel Reimbursement Act.

**Recommendation:** We recommend GRDA revise its policies and procedures to ensure compliance with the State Travel Reimbursement Act. We also recommend GRDA seek restitution for travel expenses paid that violate the Travel Reimbursement Act.

**FINDING 3. VEHICLE POLICY**

**Audit Approach:** We identified all personnel who received a car allowance or were authorized to drive an agency vehicle during the audit period. We reviewed all policy related to this subject. Payroll records were reviewed to determine the amount of the allowance given or the amount of non-cash compensation reported as income for those individuals authorized to drive an agency vehicle.

**Criteria:** GRDA’s Automobile Vehicle Policy No. 2, dated April 16, 1986, states in part: “The General Manager is authorized to permanently assign Authority vehicles to employees based on special equipment needs or compensation factors. A motor pool will be maintained for Authority vehicles, and these vehicles shall be used by employees as required for business of the Authority...”

74 O.S.2001, §3601C states in part: “Beginning July 1, 2001, the salary of the chief executive officer for each of the following agencies, boards, commissions, departments, or programs shall not exceed the amount specified, per annum, payable monthly[.]”

The salary set for the General Manager of the Grand River Dam Authority is \$115,000.

**Condition:** Based on our review of 9 personnel files, 5 employees received a monthly car allowance rather than using an Authority vehicle between January 1999 and June 2002.

Title	Year	Car Allowance/Vehicle	Additional Compensation
AGM of Administration	1999-2002	CA	25,200.00
General Counsel	1999-2002	CA	25,200.00
AGM of Risk Management and Regulatory Compliance	1999-2002	CA	25,200.00
AGM	1999	CA	1,575.00
AGM	1999-2000	CA	11,025.00
AGM of Operations	1999-2002	Vehicle*	-
AGM of Hydro, Transmission and SCADA Comm.	1999-2002	Vehicle*	-
General Manager	1999-2002	Vehicle**	21,927.70
AGM of Thermal Generation	1999-2002	CA	23,625.00
<b>Total</b>			<b>133,752.70</b>

\* IRS Code Section 132 (a) (3) allows for the exclusion from the employee's gross income for working condition fringe benefits including the use of an agency vehicle for business purposes. Therefore, these employees did not have non-cash compensation reported on their W-2s related to their use of an agency vehicle.

\*\*The general manager’s use of an agency vehicle was not considered to be a working condition fringe benefit and was therefore included on his W-2 as non-cash compensation.

**Effect:** GRDA is not complying with its internal policies and procedures.

**Recommendation:** We recommend the Authority revise its policy to reflect the use of car allowances.

Other Expenses

**FINDING 4. MISCELLANEOUS EXPENSES**

**Audit Approach:** We reviewed expenses in the other miscellaneous category for the months January 1999 through June 2002. A sample of expenses was examined to determine allowability.

**Criteria:** Statutes do not provide explicit authority to GRDA for expenditures that do not appear to be necessary or fairly implied from such source as meeting the purpose of the GRDA.

GRDA's policy and procedures states, "It shall be the duty of the purchasing director to procure for GRDA and not attempt to invest authority time in procurement for the personal gain of its employees."

**Condition:** During the period January 1, 1999 through June 30, 2002, the following expenses totaling \$141,307 were paid by GRDA.

**Food** – Approximately \$52,780 was spent on food that benefited GRDA employees. These amounts represent expenses for retirement luncheons, groceries, employee meals for overtime, and miscellaneous other food expenses. Meals paid by credit card or for travel reimbursement are not included in this amount and are addressed elsewhere in this report.

**Picnic** – GRDA paid approximately \$68,353 to provide company picnics for its employees.

**Flowers** – GRDA expended approximately \$814 for flowers for GRDA and its employees.

**Christmas Gift Certificates** – GRDA spent approximately \$19,360 on gift certificates for meat from grocery stores or meat markets. Each full-time employee received a gift certificate for \$15 each year.

**Effect:** GRDA is not in compliance with its policies and procedures. It appears expenditures have been made and time has been invested for the personal gain of GRDA employees.

**Recommendation:** We recommend GRDA ensure its policies and procedures be met. We also recommend the Legislature and proper authorities address whether the expenditures authorized by GRDA policies and procedures are necessary and reasonable.

**FINDING 5. MARKETING EXPENSES**

**Audit Approach:** We reviewed expenses in the marketing expense category for the months January 1999 through June 2002. A sample of expenses was examined to determine allowability.

**Criteria:** Statutes do not provide explicit authority to GRDA to authorize expenditures that do not appear to be necessary or fairly implied from such source as meeting the purpose of the GRDA.

**Condition:** GRDA expended \$710,187 in marketing expenses as follows:

Undetermined	\$ 289.84
Technical Services	2,240.00
Area/Trade Sponsorship	64,039.90
Economic Development	84,104.44
Municipal Advertising	115,678.41
Municipal Event Sponsorship	130,480.05

Education/Scholarship, etc.	42,678.62
Promotional Items	136,630.46
Membership – Chamber of Commerce	49,153.82
Membership – Trade Associations	12,086.69
Christmas	7,199.16
General Print Advertising	16,863.22
Billboard Advertising	42,198.14
Trade Show Advertising	6,543.80
	<u>\$ 710,186.55</u>

**Effect:** Expenses paid do not appear reasonable and necessary for the purpose of GRDA. Several expenses were also noted that may have benefited individual employees or officers of GRDA. Contrary to sound business practices, GRDA's policies and procedures as well as practices provide no control over determining the business purpose of marketing expenditures questioned in this report.

**Recommendation:** We recommend GRDA develop policies and procedures to prohibit these improper expenses. We recommend that GRDA seek restitution of these expenses.

#### **FINDING 6. CREDIT CARD EXPENSES**

**Audit Approach:** We reviewed credit card statements for the period September 2000 through June 30, 2002. We examined a sample of the credit card receipts to determine whether purchases were allowable.

**Criteria:** Good internal controls provide for adequate safeguarding of assets, which reduces the opportunity for any person to both perpetrate and conceal errors in the normal course of their duties. Detailed written policies and procedures are an integral component of good internal controls.

**Condition:** Based on conversations with management, no written policies and procedures governing the use of Authority credit cards exist. During the audit period, the number of employees with a credit card varied between twenty-one and twenty-seven.

Our sample revealed the following types of expenses as credit card purchases:

- Golf green fees - \$1704
- Gifts to board members - \$611
- Gasoline - \$312
- Other expenditures totaling \$74,186 included purchases for:
  - Business meals
  - Flowers
  - Airline tickets
  - Hotel
  - Frames
  - Exhibit Supplies
  - Clothes
  - Artwork

The business meals and golf green fees were designated as "marketing" or business entertainment expenses. Gasoline purchases were not designated between personal and business. Due to the frequent changes in the accounting codes at GRDA, we were unable to identify the total cost by expense category. We have included a sample of questionable credit card statements in Appendix 3.



**Effect:** Without clear policies and procedures that reflect the laws governing GRDA, the employees' judgment is used to determine what constitutes a reasonable and necessary purchase. Contrary to sound business practices, GRDA's policies and procedures as well as practices provide no control over determining the business purpose of credit card expenditures questioned in this report.

**Recommendation:** We recommend management develop and implement written policies and procedures, approved by the Board to prohibit improper expenditures.

**Conclusion:** GRDA does not have adequate policies and procedures addressing purchases and other expenses. The Board has approved many of these expenses. We also recommend that GRDA seek restitution for any improper expenses.

#### **FINDING 7. CELL PHONE USAGE**

**Audit Approach:** We requested the policies and procedures established by GRDA for cell phone usage. We were informed no such policies exist. We obtained the cell phone data for key personnel and examined the costs to determine the following: the extent of personal use; whether costs were in excess of the billed rate, and whether costs were adequately supported.

**Criteria:** The control environment sets the tone of an organization influencing the control consciousness of its people. Policies and procedures are a control activity that helps ensure that management directives are carried out.

**Condition:** We noted the following:

- One individual was assigned 2 cell phones due to service area problems.
- One cell phone user did not have an itemized documentation of calls.
- Time spent for personal phone calls ranged from 5.6% to 20% total use.
- Monitoring procedures are limited at best.

**Cause:** Policies and procedures do not address cell phone use or review of bills.

**Effect:** A lack of policies and procedures as well as failure to make systemic reviews of plans for cell phone usage could result in monetary resources being used inappropriately and ineffectively.

**Recommendation:** GRDA should develop and implement written policies and procedures for control of the work environment. Policies and procedures should at a minimum address:

- Periodically evaluating cellular plans to ensure whether GRDA is receiving the best service and best value.
- Reviewing cell phone expenses to determine whether costs are reasonable and necessary.
- Documenting requirements of cell phone expenses.
- Terminating cell phone usage in the event of abuse.

**Conclusion:** In the absence of policies and procedures regarding cell phone usage, it cannot be determined whether these expenses are reasonable and necessary. Cell phone bills should be reviewed to ensure whether the cell phones are used only for business calls and whether the plan is the most cost effective available.

**Policies and Procedures**

**FINDING 8. PURCHASING**

**Audit Approach:** The GRDA submitted its policies and procedures to DCS in April of 2000. DCS responded with several recommendations before the policies could be approved. GRDA requested a delay on its approval that DCS granted. However, the policies and procedures still have not been re-submitted or approved by DCS.

**Criteria:** 74 O.S. 2001, § 85.39(A) 1 and 2 state in part:

- “1. Each state agency shall develop internal purchasing procedures for acquisitions by the state agency...Following development, the state agency shall submit the procedures to the State Purchasing Director.
2. The State Purchasing Director shall review the procedures submitted pursuant to paragraph 1 of this subsection to determine compliance with the Oklahoma Central Purchasing Act[.]”

**Condition:** The Department of Central Services has not formally approved GRDA’s purchasing policies and procedures.

**Effect:** The GRDA does not comply with 74 O.S. 2001, §85.39. The failure to have purchasing policies approved by DCS has resulted in purchases that appear unreasonable and unnecessary.

**Recommendation:** We recommend the GRDA submit its purchasing procedures to the Department of Central Services for approval.

---

**Items for Further Study**

During the course of the audit, several concerns were raised that may have merit and require further investigation. The scope of this audit was to address the issues raised by the Speaker of the House. We will provide a copy of this report and the additional areas of concern to the Attorney General in order for him to determine whether additional investigation is warranted.

**Appendix 1 – Attorney General’s Opinion**

The Attorney General issued an opinion on June 6, 2002, the Attorney General's Opinion states:

Dear Senator Price:

This office has received your request for an official Attorney General Opinion in which you ask, in effect, the following questions:

1. May the Grand River Dam Authority ("GRDA"), a State agency, provide additional benefits in the form of tax sheltered deferment plans or supplemental retirement plans to its general manager and top administrative officials, even if those benefits are not specifically authorized by State law?
2. If the answer to question 1 is "yes," should such deferred compensation properly be included as part of the salary of such employees as set by statute?
3. If the answer to question 2 is "yes," and inclusion of such deferred compensation benefits when so included in salary exceeds the maximum salary established for such employees, are the deferred benefits void abinitio?
4. If the answer to question 1 or 2 is "yes," should such deferred compensation amounts have been included in the salaries reported to the Oklahoma Public Employees Retirement System ("OPERS")?

#### INTRODUCTION

Your questions deal with the authority of the Authority ("GRDA") and its ability to give additional benefits to key personnel. GRDA's enabling statutes read in pertinent part as follows:

"There is hereby created within the State of Oklahoma a conservation and reclamation district to be known as "Grand River Dam Authority", hereinafter called the district . . . Such district shall be, and is hereby declared to be, a governmental agency of the State of Oklahoma, body politic and corporate, with powers of government and with the authority to exercise the rights, privileges and functions hereinafter specified, including the control, storing, preservation and distribution of the waters of the Grand River and its tributaries, for irrigation, power and other useful purposes and reclamation and irrigation of arid, semiarid and other lands needing irrigation, and the conservation and development of the forests, minerals, land, water and other resources and the conservation and development of hydroelectric power and other electrical energy, from whatever source derived, of the State of Oklahoma."

Title 82 O.S. 861 (2001) (emphasis added).

GRDA is a State agency. See *Int'l Bhd. of Elec. Workers, Local Union 976 v. Grand River Dam Auth.*, 292 P.2d 1018, 1020 (Okla. 1956) (concluding that employees of GRDA work for the State of Oklahoma). As a State agency, GRDA is therefore subject to the same general laws governing other State agencies.

The board of directors of GRDA is authorized to hire a general manager as chief executive officer of the agency, 82 O.S. 864(A)(2) (2001), and set his salary. *Id.* 82 O.S. 864(A)(3). However, the Legislature has directed that the "salary" of GRDA's general manager "shall not exceed the amount specified, per annum, payable monthly," of \$115,000. 74 O.S. 3601(C) (2001).

Information provided by you indicates that in 1994 GRDA established a "Supplemental Retirement Benefit Plan" ("Plan") for the executive director, along with other key personnel.<sup>1</sup> See Supplemental Retirement Benefit Plan of the Grand River Dam Authority (1994) (on file with the Oklahoma Attorney General's Office). The stated purpose of the Plan is to "help the Employer attract and retain experienced, competent and talented executives and key employees by providing for contingent supplemental retirement benefits in addition to the amounts that may be deferred under Employer's Deferred Compensation Plan." *Id.* Article 2 Supplemental Retirement Benefit Plan, sec 2.1 General Terms at 4. The Plan works by the employer's establishing a "Supplemental Retirement Benefit Account" for each participant. *Id.* sec 2.4 Accounts in Supplemental Retirement Benefit Plan, sec 2.4.1 at 5. The Plan is credited on the first day of each Plan year "with the amount of Employer's unsecured promise to pay supplemental retirement

benefits to Participant upon Participant's satisfaction of the specified conditions." Id. It is the employer who invests "available funds in any investments allowable under applicable law." Id. sec 2.4.2 at 6. Title to any assets "shall at all times remain in the Employer," with the participant having no interest in any specific assets as a result of participation in the Plan. Id. sec 2.4.4 at 6; See also Id. Article 3 Administration of Master Deferred Compensation Plan, sec 3.7 Relationship of Participant under this Plan at 9-10. ("Nothing contained herein shall be deemed to create a trust of any kind or create any fiduciary relationship between the Employer and any Participant. Any funds that may be set aside for investment or earmarked by the Employer to pay benefits hereunder shall continue for all purposes to be a part of the general funds of the Employer, and no person other than the Employer shall have any interest in such funds by virtue of the provisions of this Plan. Any such funds or assets shall at all times during the term of this Plan be and remain the assets of the Employer and subject to the general creditors of the Employer."). Assets in the Plan can vest when the participant either reaches retirement, or completes five years of full time employment, (id. Article 2 Supplemental Retirement Benefit Plan, sec 2.2(I) at 4), at which point "the Employer shall pay to him in a single lump sum distribution on or after the first day of the month next following the date of such occurrence an amount equal to the fair market value of the assets, if any, in the Supplemental Retirement Benefit Account, or, in the alternative, the accumulated amount credited to the Supplemental Retirement Benefit Account in lieu of actual investments." Id. sec 2.6 Payment of Amounts Due Under Supplemental Retirement Benefit Plan, sec 2.6.1 at 6. If the participant does not want a lump sum, he can elect to receive equal monthly installments over a period not to exceed 180 months. Id. If the Plan is held in whole or in part to be invalid, "the obligation to be fulfilled shall be reduced to the limit of validity prescribed by law." Article 6 Miscellaneous, sec 6.1 Invalidity at 13. The Plan is to be construed in accordance with Oklahoma law. Id. sec 6.4 Oklahoma Law at 13.

The individual Joinder Agreement of Ron Coker dated July 20, 1994, states that the Plan is made available "in order to provide Participant with incentive to continue to provide services to Employer and forego available employment opportunities elsewhere," (id. RECITALS(C)) because the participant "performs valuable services as the chief executive officer and general manager of the Employer." Id. RECITALS(A). Accordingly, "Employer desires to provide incentive to Participant to continue to contribute to the operations of Employer." Id.

You first ask whether GRDA can provide these additional benefits which are not specifically authorized by State law. Since by the clear terms of the agreement, this is a retirement plan, we first look at the State retirement plan in general, then examine the deferred compensation plan in particular.

## II. STATE RETIREMENT PLANS

General authority to establish a retirement plan for State employees is found at 74 O.S. 901 - 74 O.S. 932 (2001). All State agencies are required to participate in the general retirement plan. Id. 74 O.S. 910(2). The purpose of the retirement plan is to:

"Provide an orderly means whereby employees of the participating employers who qualify by reason of age, or condition, and service, as herein set forth, may be transferred to inactive service without prejudice and without inflicting undue hardship upon the employees transferred, and to enable such employees to accumulate deferred income reserves for themselves and their dependents to provide for old age, death, and inactive service, and for the purpose of effecting economy and efficiency in the administration of governmental affairs."

Id. 74 O.S. 901(A). The plan is administered by the Oklahoma Public Employees Retirement System ("OPERS"). Id. 74 O.S. 903.

Of concern to your question is the Legislative pronouncement limiting State retirement plans:

"From and after the passage of this act no county hospital, or county or state governmental agency, shall institute a retirement system other than as provided for in this act,<sup>2</sup> except as to any other supplemental retirement plans otherwise expressly provided for by law."

Id. 74 O.S. 910(3) (emphasis added) (footnote added).

The common definition of the word "supplement," 25 O.S. 1 (2001) (requiring that "words used in any statute are to be understood in their ordinary sense, except when a contrary intention plainly appears") is "something that supplies a want or makes an addition." WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 2297 (3d ed. 1993). One such additional plan is a tax sheltered deferral plan.<sup>3</sup> As that plan is the linchpin of GRDA's claimed authority for its separate plan, we will examine that plan. But first, a review of the scope of GRDA's authority as a State agency is in order.

### III. SCOPE OF AGENCY'S AUTHORITY

As a general proposition, the question concerning the executive branch is not what it is prohibited from doing, but what it is allowed to do. See *Tweedy v. Okla. Bar Assn*, 624 P.2d 1049, 1054 (Okla. 1981) ("Even though the federal constitution unlike our own does not explicitly enjoin a division of responsibilities among the three branches, neither does it expressly authorize their merger.") (emphasis added) (footnote omitted); A.G. Opin. 87-100, 191 ("The role of the executive branch in expending state monies is limited primarily by the Legislature itself via the enactment of statutory law."). As a corollary, it is beyond dispute that agencies have only those powers explicitly given them by the Legislature or fairly implied from that explicit authority. *Marley v. Cannon*, 618 P. 2d 401, 405 (Okla. 1980).<sup>4</sup>

In light of the above discussion whether GRDA has express authorization to establish its own supplemental retirement plan. If it does not, we will examine whether authorization for a plan can be fairly implied from the authority given the agency.

### IV. TAX SHELTERED INCOME DEFERMENT PLANS

Tax sheltered income deferral plans refer to an option of the employee to have a portion of his or her income deducted to lower tax liability before a paycheck is issued. Oklahoma has enacted a statute allowing for the establishment of tax sheltered income deferral plans. The statute allowing the establishment of such a plan reads:

A. The State, of Oklahoma, its agencies and the political subdivisions thereof and the employees of a duly constituted authority or instrumentality of the State of Oklahoma, its agencies and the political subdivisions thereof, municipalities and any local governmental entity may enter into a written agreement to defer a portion of any employee's compensation which is derived from a state or local government. The compensation to be deferred shall be subject to any federal limitations imposed by the Internal Revenue Code, Sections 1 et seq. of Title 26 of the United States Code. The state or local governments may, under a written agreement, invest the deferred compensation in life insurance, annuities, United States Agency or Treasury Bills, Notes or Bonds, savings accounts and/or mutual funds with company licensed or eligible to do business in the state or in a contract or commingled trust or program. Deferred compensation not be a part of, any existing retirement, pension or Social Security system provided for the benefit of state and local government employees.

B. The Oklahoma Public Employees Retirement System Board shall offer a deferred compensation program and shall be responsible for establishing rules and regulations and participation agreement forms for said program. The Oklahoma State Employee Benefits Council shall communicate this program with eligible participants.

Title 74 O.S. 1701 (2001) (emphasis added).

#### A. GRDA's Authority as an Agency

An examination of GRDA's enabling legislation reveals no express authority as required by 74 O.S. 910(3) (2001) for GRDA to establish such a plan. We next turn to the general powers of the agency to determine if power to establish a plan can be fairly implied.

Generally, GRDA is authorized to exercise control over the waters of Grand River and its tributaries; develop and generate water power electric power and coal or other minerals to be used for electrical generating plants; to prevent or aid in the prevention of damage resulting from the waters of Grand River and its tributaries; and to forest and reforest the area and prevent soil erosion. 82 O.S. 862(a) - 82 O.S. 862(d) (2001). The establishment of a deferred compensation plan outside the legislatively authorized procedure cannot be fairly or necessarily implied from these

powers. This, combined with the fact there is no specific authorization to establish a deferred compensation plan outside the legislatively authorized procedures as set forth in the statutes, leads us to the conclusion GRDA cannot establish such a plan.

B. Contracts found in 74 O.S. 1701 (2001)

i. Subsection (A)

This view is supported by an analysis of subsection (A) of Section 1701. That subsection shows there are two contracts. The first is between the employee and his employing agency, in which the employee agrees to allow a certain portion of his salary to be deposited into a deferred compensation plan. This contract is between the employee and "the State of Oklahoma, its agencies and the political subdivisions thereof." *Id.* The second contract consists of an agreement between "the state or local governments" and "a company licensed or eligible to do business in the state or commingled trust or program." *Id.* The fact the party in the first contract is the State or "agencies," while the party in the second contract is "the State of Oklahoma" is significant. It implies that the agency's role in the deferred compensation program is limited to the agreement with the employee to have certain portions of the salary deducted, while the actual implementation and administration of the program is done at a statewide level - as opposed to an agency - by agency implementation and administration - by the State and another company.

ii. Subsection (B)

This interpretation - that the State as a singular unit, and not individual agencies, is empowered to implement and administer deferred compensation plans - is strengthened by a comparison of the law before and after an amendment to subsection (B) of 1701 in Title 74. In 1991, subsection (B) reads:

The Oklahoma Public Employees Retirement System Board shall be responsible for establishing rules and regulations and participation agreement forms for deferred compensation programs of state government."

*Id.* As later amended, the law now reads:

The Oklahoma Public Employees Retirement System Board shall offer a deferred compensation program and shall be responsible for establishing rules and regulations and participation agreement forms for deferred compensation programs of state government said program. The Employees Benefits Council shall communicate this program with eligible participants.

1993 Okla. Sess. Laws ch. 359, se 12 (now codified as 74 O.S. 1701(B) (2001)).

The amendments to 74 O.S. 1701(B) make it clear that the Legislature intends any deferred compensation plan established under 74 O.S. 1701 shall be administered not by the individual agencies, but by the State as a whole through a single agency.

The Legislature has expressly provided for other retirement systems, and expressly gave authority for administration of the Title 74 O.S. §1701 plan to OPERS. There is no such parallel provision specifically authorizing GRDA to implement its own retirement system, and such power cannot be fairly implied from the agency's explicit authority. Therefore, GRDA cannot implement a "Supplemental Retirement Benefit Plan." This would apply to all top administrative officials as well as the general manager.

#### V. CONCLUSION

The salary of the Executive Director is limited to \$115,000 by 74 statutorily created State agency, and as such, has only those powers explicitly given to it by the Legislature or fairly implied from that explicit authority. The Legislature did not explicitly give GRDA authority to establish a supplemental retirement plan, nor can the authority to do so be fairly implied from GRDA's explicit authority, which are land and water conservation and power generation.

In light of the answer to your first question, we need not answer your other questions. It is, therefore, the official Opinion of the Attorney General that:

The Grand River Dam Authority ("GRDA") cannot provide additional benefits to the general manager and top administrative officials in the form of tax sheltered deferment plans or supplemental retirement plans because those benefits are not specifically authorized by State law, nor can they be fairly implied from the explicit authority given to the GRDA. 74 O.S. 3601(C) (2001), 74 O.S. 1701; 82 O.S. 861 / 82 O.S. 862.

( DAN CONNALLY )

(FOOTNOTES):

1 The agreement uses the term "Supplemental Retirement Benefit Plan." However, in your view letters submitted in response to your questions GRDA repeatedly refers to the Plan as a "deferred compensation plan." See Letter from

Robert A. Nance, Attorney, to Tom Gruber, First Assistant Attorney General (March 4, 2002) (on file with the Attorney General's Office); Letter from Robert A. Nance, Attorney, to Dan Connally, Assistant Attorney General (March 18, 2002) (on file with the Attorney General's Office). Since GRDA also claims its authority for its Plan stems from www. 74 O.S. 1701 (2001) (discussed below), and that statute refers to "deferred compensation plans," that term or "Plan" will be used throughout to describe GRDA's Supplemental Retirement Benefit Plan. Id.

2 The Legislature has expressly provided for other retirement plans. See, e.g., 11 O.S. 50-101 - 11 O.S. 50-136 (2001).4 (Police Pension and Retirement System); 47 O.S. 2-300 - 47 O.S. 2-314 (2001) (Law Enforcement Retirement System); 11 O.S. 49-100.1 - 11 O.S. 49-143.3 (2001) (Firefighters Pension and Retirement System). These other retirement plans are not the subject of this Opinion.

3 See Letter from Robert A. Nance, Attorney, to Dan Connally, Assistant Attorney General at 3 (March 18, 2002) (on file with the Attorney General's Office) ("As indicated in an earlier letter, 74 .OS. 1701, not 74 O.S. 901, provides the authority for GRDA to enter into deferred compensation contracts."). See Letter from Robert A. Nance, Attorney, to Tom Gruber, First Assistant Attorney General at 6 (March 4, 2002) (on file with the Attorney General's Office).

4 In its March 4, 2002 view letter, GRDA claims its enabling language gives it the power to establish its own retirement plan, and that it is not limited to the rule enunciated in Marley. Id. at 4-5. It cites in support of this claim that it exercises the "powers of government" and as such has the power to establish its own plan. In support of this argument GRDA cites Board of Regents v. Baker, 638 P.2d 464, 469 (Okla. 1981), which deals with the powers of a constitutional entity. The letter acknowledges that the Baker holding rests on constitutional provisions, but argues there is no reason why the "powers of government" conferred on GRDA by statute would not permit the plan it has in place. Id. at 5.

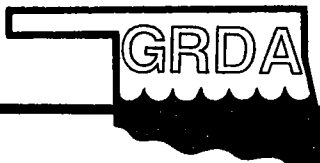
This argument need not detain us long. There is a considerable difference between something, which is established by the Oklahoma Constitution, such as the Oklahoma Board of Regents, and a statutorily created entity such as GRDA. As the case cited by GRDA states:

While the law-making power of the Legislature is supreme within its proper sphere, that power may be restricted and limited by constitutional provisions. Limitations on legislative authority may be implied as well as expressed in the Constitution. Every positive delegation of power by the Constitution to one officer or department of government implies a negation of its exercise by any other officer or department."

Baker, 638 P.2d at 466 (emphasis added) (citations omitted). That is precisely the issue here: whether GRDA, as any other State agency created by statute, is limited in the creation of a retirement plan by the Legislature as set forth in www.74 O.S.S, 2001, 910(3). Given that GRDA has no constitutional basis for its authority, there is no negation of the inherent legislative power to limit GRDA's powers as the Legislature sees fit.



**Appendix 2 – Travel Reimbursement Memo**



# GRAND RIVER DAM AUTHORITY

An agency of the State of Oklahoma, fully supported by customer revenues instead of taxes

## INTEROFFICE MEMORANDUM

DATE: June 26, 1996  
TO: Debby Miller, Comptroller I  
FROM: Henry J. Neftzger, AGM/Administration/Treasurer/CFO  
SUBJECT: Annual APPA National Conference

In an effort to provide you with a clearer directive and the authority to pay certain expenses of the Authority, I have attached for your review a General Counsel opinion dated February 25, 1988, pertaining to the APPA National Conference. The opinion is still in effect. The then-current General Manager, Henry J. Neftzger, and the current General Manager, Ron Coker, both concur with the memorandum and opinion. The opinion addresses whether the spouses of directors and spouses of staff are considered germane with respect to their duties as non-employees of the Grand River Dam Authority. Those spouses of both the directors and GRDA staff are considered germane to the duties of the Authority and, as such, are subject to having their expenses reimbursed. The approval for payment of the categories listed are hereby authorized:

### Category 1

- Airfare to the conference.
- Directors reimbursed by the Authority.
- GRDA staff reimbursed by the Authority.

Spouses of directors and GRDA staff are not reimbursable by the Authority and will have to be paid by the individual.

### Category 2

- Business lunches while attending the conference.

There is a continuing need to conduct business while attending the conference, not only during the sessions but outside of the sessions. For all parties attending the business luncheons--directors, spouses, GRDA staff and spouses--those expenses incurred are reimbursable by the Authority.

#### ADDRESS REPLY TO:

- ADMINISTRATION HEADQUARTERS, P. O. Box 409, Vinita, Oklahoma 74301-0409, (918) 256-5545
  - LAKE PATROL HEADQUARTERS, P. O. Box 70, Langley, Oklahoma 74350, (918) 782-9594
- HYDRO-GENERATION, Pensacola Headquarters, P. O. Box 70, Langley, Oklahoma 74350
  - SALINA PUMP-STORAGE PROJECT, P. O. Box 609, Salina, Oklahoma 74365 (918) 434-5920
- KERR DAM, P. O. Box 772, Locust Grove, Oklahoma 74352, (918) 479-5249
- TRANSMISSION, P. O. Box 1128, Pryor, Oklahoma 74362, (918) 825-0916
  - CUSHING, P. O. Box 329, Cushing, Oklahoma 74023 (918) 225-1507
- GRDA COAL FIRED COMPLEX, P. O. Box 609, Chouteau, Oklahoma 74337-0609, (918) 476-5840



Debby Miller  
June 26, 1996  
Page 2

Category 3

- Per diem while attending the conference (\$26 per day).

Approval is granted to pay reasonable expenses not to exceed \$26 a day to all parties attending the conference (GRDA directors, spouses, GRDA staff and spouses).

Category 4

- Other miscellaneous expenses, including, but not limited to, baggage handling, tips, and other expenses associated with traveling to, staying, and traveling back from the conference.

Authority is granted to pay expenses on behalf of GRDA directors and spouses and GRDA staff and spouses.

This should cover a substantial part of the expenses. I'm sure that there will be exceptions where clarification is needed. When those exceptions occur, please contact me, and we will determine on a case-by-case basis which are reimbursable and which are not.

HJN:dd

Attachment

The logo for the Grand River Dam Authority (GRDA) features the letters "GRDA" in a bold, sans-serif font. The letters are contained within a stylized rectangular frame that has a wavy, water-like bottom edge. The entire logo is positioned in the upper left corner of the document.

# GRAND RIVER DAM AUTHORITY

An agency of the State of Oklahoma, fully supported by customer revenues instead of taxes

February 25, 1988

Board of Directors of the Grand River Dam Authority  
Henry J. Neftzger, General Manager

Re: Reimbursable Expenses

Gentlemen:

The office of the General Counsel is in receipt of your request for an opinion wherein you ask the following question:

"May the GRDA reimburse travel and related expenses for other than employees or board members?"

82 O.S. 1985 Supp., Sec. 863B provides in pertinent part as follows:

"...Each director shall be allowed his actual and necessary expenses incurred in attending the meetings of the Board and in attending to the authorized business of the district pursuant to the State Travel Reimbursement Act...." (emphasis mine)

85 O.S. 1986 Supp., Sec. 500.1 et seq. is the "State Travel Reimbursement Act". Sec. 500.2 provides in pertinent part as follows:

"500.2 Reimbursable expenses of state officials, employees and certain others.

- A. Officials and employees of the state, traveling on authorized state business may be reimbursed for expenses incurred in such travel in accordance with the provisions of this act and existing statutes relating to state travel. Persons who are not state employees, but who are performing substantial and necessary services to the state which have been directed or approved by the appropriate department official shall enjoy the protection of the sovereign immunity

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- GRDA COAL FIRED COMPLEX, P. O. Box 609, Chouteau, Oklahoma 74337-0609, (918) 476-5840



of the state to the same extent as a state employee. Such persons may be reimbursed for expenses incurred during authorized official travel under these same statutory provisions, provided it is indicated on the claim the person is not a state employee, a description of services performed is entered, and the agency head by his approval of the claim certifies such services were substantial and necessary, and germane to the duties and functions of the reimbursing agency. (emphasis mine)

The foregoing section defines two categories of persons entitled to reimbursement:

- 1.) Officials and employees of the state.
- 2.) Persons not employees or officials but who are performing substantial and necessary services to the state.

Each of the two set out categories are further subject to conditions such as:

- 1.) authorized state business,
- 2.) performing substantial and necessary services, directed or approved by the appropriate departmental official, claim indicates person is not a state employee, description of services performed is noted, agency head approval certifies such services were substantial and necessary.

An examination of the heretofore set out sections of the State Travel Reimbursement Act as to category 1) officials and employees of the state clearly would permit GRDA to reimburse such officials and employees travel and related expenses incurred or directly related to authorized state business.

An examination of the heretofore set out sections of the State Travel Reimbursement Act as to category 2) persons not state employees, need further classifications and discussion. The key words or conditions precedent that would permit reimbursement are "performing substantial and necessary services to the state, directed and approved by the appropriate department official and certification by the agency head that such services were substantial and necessary and germane to the duties and function of the reimbursing agency." Whether the foregoing conditions precedent were met prior to authorizing reimbursement is a question of fact and could not be answered as a question of law.

The State Travel Reimbursement Act in using the word reimbursement does not appear to contemplate the advancement of funds relating to travel expenses. I have attached Attorney General Opinion 81-323 for your perusal.

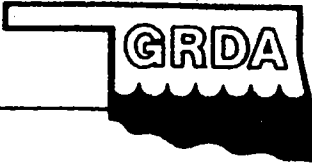
It is therefore the opinion of this office that an employee or Board member of the GRDA is entitled to reimbursement pursuant to the provisions of State Travel Reimbursement Act related to authorized business of the district.

However, whether a person who is not an employee or Board member would be entitled to reimbursement pursuant to the State Travel Reimbursement Act (82 O.S. 1986 Supp. Sec. 500.1 et seq.) is a question of fact directly related to the performance of substantial and necessary services germane to the duties and functions of the district and so certified by the agency head (General Manager).

Respectfully submitted,

Waldo F. Bales  
General Counsel

WFB:sc  
Attachment



# GRAND RIVER DAM AUTHORITY

An agency of the State of Oklahoma, fully supported by customer revenues instead of taxes

## MEMORANDUM

DATE: March 8, 1988  
TO: GRDA Board of Directors  
FROM: Henry J. Neftzger, General Manager/Chief Executive Officer  
SUBJECT: General Counsel Opinion to the Board Dated February 25, 1988  
RE: Reimbursable Expenses

The legal opinion rendered by our General Counsel as it relates to Board members who, by definition, are state employees is rather clear on reimbursement of expenses for certain activities. The gray area continues to be those persons who are not defined as an employee or a Board member.

In Mr. Bales's last paragraph of his legal opinion, he indicates if the agency head (District Manager or General Manager) feels that certain non-employees provide "necessary services germane to the duties and functions of the district," then the General Manager may certify those expenses are deemed reimbursable. It would appear, based on this opinion, the General Manager has some latitude in resolving this issue.

It is my opinion that spouses of Directors who provide outside community service to different entities play a very important role in the continuing support of that Director in his duties to the Authority. In many cases serving as a Director does take time away from your personal activities and there are many cases where you are away from home for extended periods of time. Without the proper support and encouragement from a spouse, the job as Board member would be more difficult to carry out. As a result, it would be appropriate for spouses to accompany Board members to outside activities and have their reasonable expenses reimbursed by the Authority.

One such case would be the Annual National Conference of the American Public Power Association of which the Grand River Dam Authority is a member by payment of dues. I believe it is appropriate and within my jurisdiction as General Manager that any spouse who wishes to accompany her husband to this annual event, those reasonable expenses involving air travel, accommodations, and meals of a reasonable nature would be eligible for reimbursement by the Authority. Because of the nature of staff jobs this ruling would not apply to staff members. As General Manager of the Authority, I would feel very comfortable, legally and morally, on approving any requests for reimbursement pertaining to spouses of the Board of Directors for this annual event.

HJN:

cc: Waldo Bales  
Bob Sullivan  
Jack Marcy  
Keeling McGaughey

### ADDRESS REPLY TO:

- ADMINISTRATION HEADQUARTERS, Box 409, Vinita, Oklahoma 74301-0409, (918) 256-5545  
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- KERR DAM, Box 772, Locust Grove, Oklahoma 74352, (918) 479-5249
- TRANSMISSION, Box 1128, Pryor, Oklahoma 74362, (918) 825-0916  
CUSHING, (918) 225-1507
- GRDA 1 and 2, Box 609, Chouteau, Oklahoma 74337-0609, (918) 476-5840



**Appendix 3 – Credit Card Statements**



ACCOUNT NUMBER  
[REDACTED]

CREDIT LIMIT  
100000

STATEMENT CLOSING DATE  
08/15/01

PAYMENT DUE DATE  
09/09/01

MINIMUM PAYMENT  
\$ 5903.21

DATE OF TRANS		POST	REFERENCE NUMBER	PURCHASES, CASH ADVANCES, PAYMENTS, CREDITS AND ADJUSTMENTS SINCE LAST STATEMENT	AMOUNT
731	0731		24656046MERM9VTQ6	GRAND CHEROKEE GOLF LANGLEY OK MCC: 7992 MERCHANT ZIP: 077952576	13.74
801	0801		24226386MAFP6MH0A	WM SUPERCENTER WAGONER OK MCC: 5411 MERCHANT ZIP: 077952576	19.68
802	0802		24638186PWGPJSQYE	JL'S BAR-B-QUE PRYOR OK MCC: 5812 MERCHANT ZIP: 077952576	93.95
807	0807		24326846W5SPGWDR	MAZZIO'S #75 9186644444 OK MCC: 5812 MERCHANT ZIP: 74070 SALES TAX: \$ 0.00 TAX INCLUDED:	16.76
808	0808		24455016W3HT99RG7	MY PLACE BBQ TAHLEQUAH OK MCC: 5812 MERCHANT ZIP: 74464 SALES TAX: \$ 0.00 TAX INCLUDED: 0 CUSTOMER CODE: 3142	36.42
1720	0720		24692166900FNQ64T	[REDACTED] \$1,547.45 AMAZON.COM *SUPERSTOR 800-201-7575 WA MCC: 5942 MERCHANT ZIP: 077952576 [REDACTED] \$329.97	329.97

PREVIOUS BALANCE	PAYMENTS	CREDITS	PURCHASES + DEBITS	CASH ADVANCES	FINANCE CHARGE	NEW BALANCE
10142.14	10142.14	56.00	5959.21	0.00	0.00	\$ 5903.21

AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED

PAID  
CHECK # 91984  
BY: [REDACTED]  
AUG 29 2001

RECEIVED  
AUG 20 2001

FINANCE CHARGE INFORMATION	ACCOUNTING DEPARTMENT GRDA		CASH ADVANCES CURRENT BILLING PERIOD	ANNUAL PERCENTAGE RATE
	PURCHASES/DEBITS PREVIOUS BILLING PERIOD	CURRENT BILLING PERIOD		
AVERAGE DAILY BALANCE	0.00	0.00	0.00	0.00
MONTHLY PERIODIC RATE	0.000	0.000	0.000	0.00
CORRESPONDING ANNUAL PERCENTAGE RATE	0.00	0.00	0.00	0.00
FINANCE CHARGE COMPUTATION	0.00	0.00	0.00	0.00

IMPORTANT: CERTAIN ADDITIONAL FINANCE CHARGES MAY BE AVOIDED OR REDUCED IF YOU PAY THE "NEW BALANCE" WITHIN 25 DAYS OF THE ABOVE "STATEMENT CLOSING DATE" (SUCH 25TH DAY WILL NOT ALWAYS BE THE STATED "PAYMENT DUE DATE"). SEE REVERSE SIDE FOR INSTRUCTIONS ON THIS REMITTANCE AND BILLING ERROR INQUIRIES. ITEMS RECEIVED AFTER THE CLOSING DATE WILL APPEAR ON YOUR NEXT STATEMENT.  
NOTICE: See reverse side for important information and details.

MONTHLY STATEMENT

C915  
V7C 7 10 0  
59420001 3043

		MINIMUM PAYMENT	PAST DUE AMOUNT	PAYMENT DUE DATE	NEW BALANCE	ACCOUNT NUMBER	PLEASE WRITE IN AMOUNT OF PAYMENT ENCLOSED
		3459.94	0.00	10/12/01	3459.94	[REDACTED]	\$

PLEASE CHECK BOX AND NOTE ADDRESS CHANGE  
PLEASE DETACH AND ENCLOSE TOP PORTION WITH PAYMENT.

CONTROL ACCOUNT  
GRAND RIVER DAM AUTH  
PO BOX 409  
VINITA OK 74301-0409

ACCOUNT NUMBER	CREDIT LIMIT	STATEMENT CLOSING DATE	PAYMENT DUE DATE	MINIMUM PAYMENT
[REDACTED]	100000	09/17/01	10/12/01	\$ 3459.94

DATE OF TRANS	POST	REFERENCE NUMBER	PURCHASES, CASH ADVANCES, PAYMENTS, CREDITS AND ADJUSTMENTS SINCE LAST STATEMENT	AMOUNT
8/14	08/16	24164077358RZJDN6	[REDACTED] \$265.40 PHILLIPS 6603220400133 MORRISON OK MCC: 5541 MERCHANT ZIP:	20.40
8/14	08/16	24164077358RZZH0B	PHILLIPS 6601048050155 STILLWATER OK MCC: 5541 MERCHANT ZIP:	13.95
8/14	08/16	244036973S69PWS8Y	JOSEPPIS STILLWATER OK MCC: 5812 MERCHANT ZIP:	18.94
8/20	08/20	24246517KVV3LS62D	CURTIS TRUE VALUE MIAMI OK MCC: 5251 MERCHANT ZIP:	28.63
8/21	08/21	24301337A493WDMHH	SUNBELT SPORTS SALES TULSA OK MCC: 5655 MERCHANT ZIP:	48.55
8/21	08/21	24357177A1RTZ6HBM	EHRLES PARTY SUPPLY TULSA OK MCC: 5947 MERCHANT ZIP:	46.15
8/21	08/21	24493987AT8QDFDX5	ACADEMY SPORTS & OUTDOOR TULSA OK MCC: 5941 MERCHANT ZIP:	57.16
8/21	08/21	24610437A03P9Y289	ZANY BRAINY #565 TULSA OK MCC: 5945 MERCHANT ZIP:	64.74
8/22	08/22	24164077B58T7E40F	PHILLIPS 6609763830016 KELLYVILLE OK	23.70

PREVIOUS BALANCE	- PAYMENTS	+ CREDITS	+ PURCHASES/DEBITS	+ CASH ADVANCES	+ FINANCE CHARGE	= NEW BALANCE
						\$

AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED

PAID  
CHECK # 192990  
BY: [REDACTED]  
OCT 05 2001

RECEIVED  
SEP 20 2001

FINANCE CHARGE INFORMATION	PURCHASES/DEBITS	CASH ADVANCES	ACCOUNTING DEPARTMENT	ANNUAL PERCENTAGE RATE
	PREVIOUS BILLING PERIOD	CURRENT BILLING PERIOD		
AVERAGE DAILY BALANCE			[REDACTED]	
MONTHLY PERIODIC RATE				
CORRESPONDING ANNUAL PERCENTAGE RATE				
FINANCE CHARGE COMPUTATION				

IMPORTANT: CERTAIN ADDITIONAL FINANCE CHARGES MAY BE AVOIDED OR REDUCED IF YOU PAY THE "NEW BALANCE" WITHIN 25 DAYS OF THE ABOVE "STATEMENT CLOSING DATE" (SUCH AS 25TH DAY WILL NOT ALWAYS BE THE STATED "PAYMENT DUE DATE"). SEE REVERSE SIDE FOR INSTRUCTIONS ON THIS REMITTANCE AND BILLING ERROR INQUIRIES. ITEMS RECEIVED AFTER THE CLOSING DATE WILL APPEAR ON YOUR NEXT STATEMENT.

MONTHLY STATEMENT

C915  
V7C 7 10 0  
59420001 3043

		MINIMUM PAYMENT	PAST DUE AMOUNT	PAYMENT DUE DATE	NEW BALANCE	ACCOUNT NUMBER	PLEASE WRITE IN AMOUNT OF PAYMENT ENCLOSED
		3459.94	0.00	10/12/01	3459.94	[REDACTED]	\$

PLEASE CHECK BOX AND NOTE ADDRESS CHANGE  
PLEASE DETACH AND ENCLOSE TOP PORTION WITH PAYMENT.

CONTROL ACCOUNT  
GRAND RIVER DAM AUTH  
PO BOX 409  
VINITA OK 74301-0409

ACCOUNT NUMBER	CREDIT LIMIT	STATEMENT CLOSING DATE	PAYMENT DUE DATE	MINIMUM PAYMENT
[REDACTED]	100000	09/17/01	10/12/01	\$ 3459.94

DATE OF TRANS	POST	REFERENCE NUMBER	PURCHASES, CASH ADVANCES, PAYMENTS, CREDITS AND ADJUSTMENTS SINCE LAST STATEMENT	AMOUNT
827	0827	24229107G00EY25ZR	MCC: 5542 MERCHANT ZIP: INTERNATIONAL E Z UP INC 909-7810843 CA	277.33
829	0829	24323017J3Q4Z55FS	MCC: 5969 MERCHANT ZIP: SONIC DRIVE IN - MIAMI MIAMI OK	12.07
830	0830	24610437K03R5QVGT	MCC: 5814 MERCHANT ZIP: SHERWIN WILLIAMS #7450 TAHLEQUAH OK	74.31
830	0830	24717057KJN9YRNS3	MCC: 5231 MERCHANT ZIP: CHERRY SPRINGS GOLF CL TAHLEQUAH OK	400.00
830	0830	24638187KWGTBVEH7	MCC: 7992 MERCHANT ZIP: MISS ADDIES @ CHERRY SPRI MUSKOGEE OK	25.65
905	0905	24399007TWTNK2GQ	MCC: 5812 MERCHANT ZIP: QT 30 01000306 MIAMI OK	24.31
905	0905	24403697TS69TZYMX	MCC: 5542 MERCHANT ZIP: EL CHARRO OF MIAMI MIAMI OK	12.30
905	0905	24610437R03TRBTXT	MCC: 5812 MERCHANT ZIP: PAYPAL 800-836-1859 CA	27.57
912	0912	2449280803DWMW8X4	MCC: 8999 MERCHANT ZIP: CRABTOWN OKLAHOMA OK	80.37
			MCC: 5812 MERCHANT ZIP:	

PREVIOUS BALANCE	-	PAYMENTS	-	CREDITS	+	PURCHASES/DEBITS	+	CASH ADVANCES	+	FINANCE CHARGE	=	NEW BALANCE
												\$

AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED

PAID  
CHECK # 192990  
BY: [REDACTED]

OCT 05 2001

RECEIVED

SEP 20 2001

FINANCE CHARGE INFORMATION	PURCHASES/DEBITS	CASH ADVANCES	ANNUAL PERCENTAGE RATE
	PREVIOUS BILLING PERIOD	CURRENT BILLING PERIOD	
AVERAGE DAILY BALANCE			
MONTHLY PERIODIC RATE			
CORRESPONDING ANNUAL PERCENTAGE RATE			
FINANCE CHARGE COMPUTATION			

IMPORTANT: CERTAIN ADDITIONAL FINANCE CHARGES MAY BE AVOIDED OR REDUCED IF YOU PAY THE "NEW BALANCE" WITHIN 25 DAYS OF THE ABOVE "STATEMENT CLOSING DATE" (SUCH 25TH DAY WILL NOT ALWAYS BE THE STATED "PAYMENT DUE DATE"). SEE REVERSE SIDE FOR INSTRUCTIONS ON THIS REMITTANCE AND BILLING ERROR INQUIRIES. ITEMS RECEIVED AFTER THE CLOSING DATE WILL APPEAR ON YOUR NEXT STATEMENT.

ACCOUNT NUMBER  
 [REDACTED]

CREDIT LIMIT  
 100000

STATEMENT CLOSING DATE  
 10/16/01

PAYMENT DUE DATE  
 11/10/01

MINIMUM PAYMENT  
 \$ 3978.31

DATE OF		REFERENCE NUMBER	PURCHASES, CASH ADVANCES, PAYMENTS, CREDITS AND ADJUSTMENTS SINCE LAST STATEMENT	AMOUNT
TRANS	POST			
002	1002	24226388K9AT4WZHP	WAL MART PRYOR OK MCC: 5310 MERCHANT ZIP: 74361 SALES TAX: \$ 0.00 TAX INCLUDED: 0 CUSTOMER CODE: 0000000000000000	38.38
003	1003	24164078N37QS5Q19	LOVE S COUNTRY00002519 CALUMET OK MCC: 5541 MERCHANT ZIP:	11.58
003	1003	24656048MEP8R5J49	ROMAN NOSE GOLF CRSE WATONGA OK MCC: 7992 MERCHANT ZIP:	40.00
004	1004	24656048NEP8R5J7B	ROMAN NOSE GOLF CRSE WATONGA OK MCC: 7992 MERCHANT ZIP:	44.99
005	1005	24656048REP8P63YZ	ROMAN NOSE LODGE WATONGA OK MCC: 7011 MERCHANT ZIP:	92.32
010	1010	24226388V9AYDLZFG	WAL MART PRYOR OK MCC: 5310 MERCHANT ZIP: [REDACTED]	20.60
				\$534.81

PREVIOUS BALANCE	- PAYMENTS	- CREDITS	+ PURCHASES/ DEBITS	+ CASH ADVANCES	+ FINANCE CHARGE	= NEW BALANCE
3459.94	3459.94	0.00	3978.31	0.00	0.00	\$ 3978.31

AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED

PAID  
 CHECK # 193776  
 BY: [REDACTED]  
 NOV 05 2001

RECEIVED  
 OCT 25 2001  
 ACCOUNTING DEPARTMENT  
 GRDA

FINANCE CHARGE INFORMATION	PURCHASES/ CASH ADVANCES		ANNUAL PERCENTAGE RATE
	PREVIOUS BILLING PERIOD	CURRENT BILLING PERIOD	
AVERAGE DAILY BALANCE	0.00	0.00	0.00
MONTHLY PERIODIC RATE	0.00	0.00	0.00
CORRESPONDING ANNUAL PERCENTAGE RATE	0.00	0.00	0.00
FINANCE CHARGE COMPUTATION			

IMPORTANT: CERTAIN ADDITIONAL FINANCE CHARGES MAY BE AVOIDED OR REDUCED IF YOU PAY THE "NEW BALANCE" WITHIN 25 DAYS OF THE ABOVE "STATEMENT CLOSING DATE" (SUCH 25TH DAY WILL NOT ALWAYS BE THE STATED "PAYMENT DUE DATE"). SEE REVERSE SIDE FOR INSTRUCTIONS ON THIS REMITTANCE AND BILLING ERROR INQUIRIES. ITEMS RECEIVED AFTER THE CLOSING DATE WILL APPEAR ON YOUR NEXT STATEMENT.  
 NOTICE: See reverse side for important information and disclosures.

17C

RETAIN BOTTOM PORTION FOR YOUR PERMANENT RECORDS.

PRINTED ON RECYCLED PAPER

MONTHLY STATEMENT

C915  
V7C 7 10 0  
59420001 3221

		MINIMUM PAYMENT	PAST DUE AMOUNT	PAYMENT DUE DATE	NEW BALANCE	ACCOUNT NUMBER	PLEASE WRITE IN AMOUNT OF PAYMENT ENCLOSED
		2132.97	0.00	02/09/02	2132.97	[REDACTED]	\$

PLEASE CHECK BOX AND NOTE ADDRESS CHANGE

PLEASE DETACH AND ENCLOSE TOP PORTION WITH PAYMENT.

PLEASE CHECK BOX AND NOTE ADDRESS CHANGE

CONTROL ACCOUNT  
GRAND RIVER DAM AUTH  
PO BOX 409  
VINITA OK 74301-0409

ACCOUNT NUMBER	CREDIT LIMIT	STATEMENT CLOSING DATE	PAYMENT DUE DATE	MINIMUM PAYMENT
[REDACTED]	100000	01/15/02	02/09/02	\$ 2132.97

DATE OF TRANS	POST	REFERENCE NUMBER	PURCHASES, CASH ADVANCES, PAYMENTS, CREDITS AND ADJUSTMENTS SINCE LAST STATEMENT	AMOUNT
1218	1220	2441800B1A8RMBGKX	OMAHASTEAKS.COM INC 800-2289872 NE MCC: 5965 MERCHANT ZIP:	67.99
1218	1220	2441800B1A8RMBGP0	OMAHASTEAKS.COM INC 800-2289872 NE MCC: 5965 MERCHANT ZIP:	67.99
1218	1220	2441800B1A8RMBGS3	OMAHASTEAKS.COM INC 800-2289872 NE MCC: 5965 MERCHANT ZIP:	67.99
1218	1220	2441800B1A8RMBGX6	OMAHASTEAKS.COM INC 800-2289872 NE MCC: 5965 MERCHANT ZIP:	67.99
1218	1220	2441800B1A8RMBG46	OMAHASTEAKS.COM INC 800-2289872 NE MCC: 5965 MERCHANT ZIP:	66.99
1218	1220	2441800B1A8RMBG79	OMAHASTEAKS.COM INC 800-2289872 NE MCC: 5965 MERCHANT ZIP:	67.99
103	0106	2432684QL2E1XXPT3	[REDACTED] \$610.91 UNIV MAILING SERVICES 405-624-5992 OK MCC: 8220 MERCHANT ZIP:	15.00
1222	1223	2449398B44YHL606G	[REDACTED] \$15.00 HANDSPRING INC 650-230-5000 CA	48.49

PREVIOUS BALANCE	-	PAYMENTS	-	CREDITS	+	PURCHASES/DEBITS	+	CASH ADVANCES	+	FINANCE CHARGE	=	NEW BALANCE
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AN AMOUNT FOLLOWED BY A MINUS SIGN (-) IS A CREDIT OR A CREDIT BALANCE UNLESS OTHERWISE INDICATED

RECEIVED  
JAN 22 2002  
ACCOUNTING DEPARTMENT  
GRDA

FINANCE CHARGE INFORMATION	PURCHASES/DEBITS			CASH ADVANCES	ANNUAL PERCENTAGE RATE
	PREVIOUS BILLING PERIOD	CURRENT BILLING PERIOD	CURRENT BILLING PERIOD		
AVERAGE DAILY BALANCE					
MONTHLY PERIODIC RATE					
CORRESPONDING ANNUAL PERCENTAGE RATE					
FINANCE CHARGE COMPUTATION					

IMPORTANT: CERTAIN ADDITIONAL FINANCE CHARGES MAY BE AVOIDED OR REDUCED IF YOU PAY THE "NEW BALANCE" WITHIN 25 DAYS OF THE ABOVE "STATEMENT CLOSING DATE" (SUCH 25TH DAY WILL NOT ALWAYS BE THE ABOVE BALANCE DUE DATE). SEE REVERSE SIDE FOR INSTRUCTIONS ON THIS DEFERRANCE AND BILLING ERROR INQUIRIES. ITEMS RECEIVED AFTER THE CLOSING DATE WILL APPEAR ON YOUR NEXT STATEMENT.