



Oklahoma State Auditor & Inspector

News Release

For Immediate Release

Contact: Trey Davis
405.521.3390
tdavis@sai.ok.gov

December 2, 2015

Bid Practices Questioned In Kay County Investigative Audit

OKLAHOMA CITY – An investigative audit into alleged circumvention of the state’s competitive bidding law by two former Kay County Commissioners was released today by State Auditor Gary Jones.

The audit contains numerous findings including what auditors believe to be evidence of bid manipulation, vendor preference, and collaboration to thwart requirements of the Public Competitive Bidding Act.

“We’re the fact finders,” Jones said. “Our job is to thoroughly investigate and present the facts that fully support the report’s findings.”

Among the audit findings is the apparent violation of the bidding act in awarding more than \$5 million in public construction and reconstruction projects.

“When you so narrowly define bid specs for the purposing of excluding vendors or directing business to a particular vendor, you’re doing indirectly what you can’t do directly,” Jones said. “We believe our investigation supports that conclusion on multiple projects and purchases in which bids were let.”

The audit report connects the dots in which one county commissioner, a Bureau of Indian Affairs employee, and a vendor collaborated to front the vendor \$350,000 in start up cash to get a road construction project off the ground. The same vendor was overpaid \$500,000 on another road project when he failed to include construction material costs in his winning bid.

“It certainly looks like public funds were used to underwrite financing so a particular vendor could get started in the road construction business,” Jones said. “The county failed to obtain a warranty bond on one project and, within a year, the road was already cracking. Another, \$1.7 million project, wasn’t bid as required by law and no contract between the county and the vendor for this project even exists.”

Another Kay County Commissioner appears to have personally profited from his office when the preferred vendor subcontracted construction work to a business co-owned by the Commissioner. He also may have benefitted in an apparent shell game in which the county ended up purchasing a trailer previously owned but no longer needed by the Commissioner in a series of swaps with one particular vendor involving older model county-owned trailers for new models of the same trailer. The county let bids for a specific trailer matching the one that had belonged to the Commissioner.

The audit was requested by District 4 District Attorney Mike Fields. Fields was assigned to the matter by Attorney General Scott Pruitt after District 8 District Attorney Brian Hermanson disqualified his office from the investigation. A district attorney serves as a legal advisor to a board of county commissioners.

The 54-page report is available online at www.sai.ok.gov.

###