

## **Special Report**

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# **General Services Division**

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**The General Services Division Lacks an Inventory Control System for Computer Equipment**

**The Legislative Auditor Identified Risk for Loss of State Property in the General Services Division's Surplus Process**

**General Services Division Computer-Related Purchases Appear to Be Employee Perks Rather than Being Necessary for Conducting Daily Business**

**The Legislative Auditor Identified Two High-Powered Laptop Computers That Were Acquired in Violation of State Purchasing Policies and Procedures**

**The General Services Division Has Not Maintained the Capitol Complex Parking Garage As Recommended in Reports Issued By Three Different Engineering Firms**



**May 2006  
PE 06-02-375**

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John Sylvia  
Director

May 21, 2006

The Honorable Edwin J. Bowman  
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The Honorable J.D. Beane  
House of Delegates  
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Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting a Special Report of the *General Services Division*, which will be presented to the Joint Committee on Government Operations on Sunday, May 21, 2006. The issues covered herein are "The General Service Division Lacks an Inventory Control System for Computer Equipment;" "The Legislative Auditor Identified Risk for Loss of State Property in the General Services Division's Surplus Process;" "General Services Division Computer-Related Purchases Appear to Be Employee Perks Rather than Being Necessary for Conducting Daily Business;" "The Legislative Auditor Identified Two High-Powered Laptop Computers That Were Acquired in Violation of State Purchasing Policies and Procedures;" and "The General Services Division Has Not Maintained the Capitol Complex Parking Garage As Recommended In Reports Issued by Three Different Engineering Firms."

We transmitted a draft copy of the report to the General Services Division on May 2, 2006. We held an exit conference with the agency on May 4, 2006. We received the agency response on May 19, 2006.

Let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "John Sylvia".

John Sylvia

JS/wsc

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*Joint Committee on Government and Finance*

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# Executive Summary

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## **Issue 1: The General Services Division Lacks an Inventory Control System for Computer Equipment**

*The Division is not accountable for its computer inventory and is virtually unable to be audited. It is mere happenstance that some items were found.*

*By not instituting an inventory control system for computer-related equipment, the General Services Division is vulnerable to theft or loss.*

By request of the Secretary of Administration, the Legislative Auditor received computer-related equipment purchase invoices from the Department of Administration, which represented purchases made during calendar years 2003-2005. As a result of this review, the Legislative Auditor finds that the General Services Division currently lacks proper inventory control procedures. The Division is not accountable for its computer inventory and is virtually unable to be audited. It is mere happenstance that some items were found. It is the Legislative Auditor's opinion that items should be inventoried with internal control numbers as they are received by the Division. Further, the inventory control numbers should be entered into a database using software that would allow for precise determinations as to the existence of computer-related equipment. Such software is already owned and in use by the Division for other inventory control efforts, such as commodity acquisition.

The Legislative Auditor was informed by General Services Division staff that items purchased at a value under \$1,000 were not formally inventoried because they were not considered reportable property by the Department of Administration's Purchasing Division. It is the Legislative Auditor's opinion that this provision does not preclude any agency from performing formal inventory control procedures for items valued at less than \$1,000. By not instituting an inventory control system for computer-related equipment, the General Services Division is vulnerable to theft or loss. It is the Legislative Auditor's opinion that having an inventory control system for state property is a basic necessity for state government.

## **Issue 2: The Legislative Auditor Identified Risk for Loss of State Property in the General Services Division's Surplus Process**

During this audit, it has become apparent to the Legislative Auditor that some General Services Division employees may be unaware of the State Agency for Surplus Property's requirement that all retired state property be accompanied by proper retirement documentation. The State Agency for Surplus Property requires state agencies to describe property that is being retired prior to the removal of the property by the agency. However, the Legislative Auditor understands that some General Services Division computer related items were placed on

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*The Legislative Auditor is concerned with items being removed from the General Services Division's inventory without following the proper surplus procedures.*

the east wing dock in the main capitol building without documentation. By default, these abandoned materials may have been reported on the proper retirement forms by other General Services Division employees charged with that responsibility. However, considerable time could elapse before these items would be accountable on the WV-103 form.

The Legislative Auditor is concerned with items being removed from the General Services Division's inventory without following the proper surplus procedures. The Legislative Auditor finds that this property was vulnerable to theft and could have been subsequently stolen. Likelihood exists for the latter, since the items would not have been missed if they were removed from the premises.

In addition, because of the Division's lack of proper computer equipment inventory and following proper surplus procedures, the Legislative Auditor cannot verify if the undocumented property placed on the dock by the computer technician was ever retired. Therefore, the Legislative Auditor recommends that the General Services Division ensure that all property undergoing retirement receive proper documentation to safeguard against the risk of loss or theft. The Legislative Auditor cannot verify if the undocumented property placed on the dock by the computer technician was ever retired; since the director of the State Agency for Surplus Property indicated that his agency would not receive undocumented property. Because of this, the Legislative Auditor questions what ever became of the undocumented property that was allegedly placed on the east wing dock.

*During the inventory audit for computer-related equipment within the General Services Division, the Legislative Auditor became concerned with the expensive nature of certain purchases.*

### **Issue 3: General Services Division Computer-related Purchases Appear to Be Employee Perks Rather than Being Necessary for Conducting Daily Business**

During the inventory audit for computer-related equipment within the General Services Division, the Legislative Auditor became concerned with the expensive nature of certain purchases. As stated in the methodology for Issue 1 of this report, the Legislative Auditor recently examined the receipts for computer-related equipment purchases for calendar years 2003-2005. By categorizing each component by function, such as processor, memory, or hard drive, the Legislative Auditor was able to determine that in many cases, high end products are being purchased much of the time. The Legislative Auditor finds that many of these purchases were unnecessary for the intended needs of General Services Division (GSD) employees. In addition, the Legislative Auditor cannot find justification for employees having DVD burners, TV tuner cards,

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high end monitors, high end processors, and other equipment purchases.

Department of Administration personnel discovered that the General Services Division's computer technician had been reproducing Digital Versatile Discs (DVD's) in his office located in the basement of the Capitol Building. According to the Department of Administration, the Federal Bureau of Investigation was contacted and subsequently confiscated several pertinent items from the office of the computer technician. According to the computer technician, the duplication of DVD's occurred on a minimal basis. However, he admitted that the activity took place during work hours using state resources. No evidence suggests that these disks were distributed in exchange for monetary or in-kind compensation. The Legislative Auditor is unable to determine the extent to which state resources were used to copy the digital versatile disks in the manner described above. However, the Legislative Auditor concludes that the number of copies made or planned to be made could have been in the hundreds considering the hundreds of duplicating media and accessories that were purchased.

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*By purchasing necessary computer components separately, the General Services Division circumvented, intentionally or unintentionally, state purchasing guidelines requiring the verbal bids for purchases greater than \$1,000 in value.*

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#### **Issue 4: The Legislative Auditor Identified Two High-Powered Laptop Computers That Were Acquired in Violation of State Purchasing Policies and Procedures.**

The Legislative Auditor has identified two high-powered laptop computers that were acquired in violation of state purchasing policies and procedures. By purchasing necessary computer components separately, the General Services Division circumvented, intentionally or unintentionally, state purchasing guidelines requiring the verbal bids for purchases greater than \$1,000 in value.

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*The Legislative Auditor recommends that all purchases be accompanied by authorizing purchase orders that accurately describe the intended purchase.*

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The purchases for each of the products were made without formal authorization, though it may have occurred verbally. Nonetheless, this is clear circumvention of purchasing controls that are designed to prevent unauthorized purchases. That is, if the General Services Division buyer does not recognize that there are possible unauthorized purchases that are being requisitioned, the buyer circumvents the internal control process. Even though verbal authorization may have occurred, it is impossible to verify for certain. Therefore, the Legislative Auditor recommends that all purchases be accompanied by authorizing purchase orders that accurately describe the intended purchase.

The Legislative Auditor cannot determine whether it was intend-

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ed that state purchasing guidelines were intentionally violated. Further, the Legislative Auditor cannot determine any purpose that this would have served, other than convenience, given that the purchases do not appear to favor any particular vendor. Therefore, the Legislative Auditor recommends that the General Services Division cease the practice of verbal purchase authorizations using improper purchase orders.

### **Issue 5: The General Services Division Has Not Maintained the Capitol Complex Parking Garage As Recommended In Reports Issued by Three Different Engineering Firms**

*These problems include, but are not limited to: cracking of the concrete throughout the entire structure; chunks of concrete breaking loose and falling from around the drainage pipes; a poor water sealant used on the top floor of the garage that is allowing water leakage throughout the structure which is causing the rusting of pipes and fire extinguisher cases and the deterioration of concrete; the water leakage is also causing puddle formations throughout the entire structure; and, a busted protective cap exposing a loose bolt in the stair tower that could be turned by hand.*

During the ongoing review of the General Services Division, the Legislative Auditor discovered that several problems exist within the parking garage structure. These problems include, but are not limited to: cracking of the concrete throughout the entire structure; chunks of concrete breaking loose and falling from around the drainage pipes; a poor water sealant used on the top floor of the garage that is allowing water leakage throughout the structure which is causing the rusting of pipes and fire extinguisher cases and the deterioration of concrete; the water leakage is also causing puddle formations throughout the entire structure; and, a busted protective cap exposing a loose bolt in the stair tower that could be turned by hand. These conditions are leading to an accelerated pace of deterioration to the parking garage. It is the opinion of the Legislative Auditor that these problems exist due to a lack of proper maintenance by the General Services Division.

Employees with the General Services Division expressed their concerns regarding the Capitol Complex parking garage conditions to the Legislative Auditor in January 2006. The employees explained that they felt there were problems with construction of the structure, and felt that the contractor, BBL-Carlton, may be at fault for some of the current conditions. The employees implied that the former director ignored their concerns during and after the construction phase, and accepted the parking garage “as is” from BBL-Carlton. According to the employees, the former director admitted that the lack of maintenance by the General Services Division was the cause of the problems, not the construction work performed by the contractor. Three different engineering firms released reports that found that the deteriorating conditions were most likely due to a lack of maintenance by the General Services Division.

The Legislative Auditor has outlined several problems that exist in the Capitol Complex parking garage. The structure is a victim

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*If immediate action is not taken, it could cost the State a large sum of money in the future, and potentially endanger the public.*

of what appears to be the lack of routine maintenance by the General Services Division. This notion is confirmed and agreed upon in reports previously issued by three different engineering firms. The current conditions of the parking garage are leading to an accelerated pace of deterioration, and immediate action is necessary to remedy the situation. If immediate action is not taken, it could cost the State a large sum of money in the future, and potentially endanger the public.

## **Recommendations**

1. *The Legislative Auditor recommends that the General Services Division immediately take measures to install an inventory control system, which would include computerized inventory software that would track all Division computer equipment.*
2. *The Legislative Auditor recommends that the General Services Division immediately take measures to assign inventory control numbers to all computers and monitors. As well, the General Services Division should consider an item's cumulative component value when deciding whether to place the item on the fixed asset system.*
3. *The Legislative Auditor recommends that the Director of the General Services Division or the Secretary of the Department of Administration report to the Joint Committee on Government Operations, during its June 2006 interim meeting, as to the status of these recommendations.*
4. *The Legislative Auditor recommends that the General Services Division develop an asset disposition database for state property that is retired from the agency's use. This would include the same information required by the State Agency for Surplus Property on the WV-103 surplus disposition form.*
5. *The Legislative Auditor recommends that the General Services Division employees cease the practice of disposing property without performing the proper disposition documentation described by Recommendation 4.*
6. *The Legislative Auditor recommends that the Department of Administration ensure that all computer purchases made by the General Services Division are necessary for its daily needs.*



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7. *The Legislative Auditor recommends that the General Services Division follow proper bid requirements for all purchases.*
  8. *The Legislative Auditor recommends that when the General Services Division makes purchases, it does so with accurate purchase orders that describe nothing less than that which is being purchased.*
  9. *The Legislative Auditor recommends that the General Services Division consult the Precast/Pre-Stressed Concrete Institute Publication and immediately take steps to implement routine maintenance procedures to address the current conditions of the Capitol Complex parking garage.*
  10. *The Legislative Auditor recommends that General Services Division retain an engineer experienced in parking structure design and restoration to periodically perform a condition audit of the parking structure.*
  11. *The General Services Division should report to the Joint Committee on Government Operations during the June 2006 interim with a plan of action for maintaining the Capitol Complex parking garage.*



# Review Objective, Scope and Methodology

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This Special Report of the General Services Division is authorized by West Virginia Code §4-2-5, as amended. This report was initiated as a result of conditions realized during November 2005 and January 2006 Special Reports of the Legislative Auditor.

## Objective

The first major objective of this audit was to determine the condition of the General Services Division's inventory control system for computer equipment. The second major objective of this audit was to determine the condition of maintenance practices for the capitol complex parking garage.

## Scope

The scope of this audit pertaining to the actual purchases of computer equipment was 2003-2005. However, observations and conclusions on the condition of the computer inventory were made during 2005-2006. The scope of reporting for the issue pertaining to the capitol complex garage includes information from 2002-2006.

## Methodology

Information used in compiling this report was gathered from the Department of Administration, the General Services Division, the Board of Risk and Insurance Management, interviews with General Services Division staff, observations and conclusions based on an attempted inventory audit performed by the Legislative Auditor, and a tour of the capitol complex garage. Every aspect of this audit complies with the Generally Accepted Government Auditing Standards (GAGAS).



# Issue 1

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## **The General Services Division Lacks an Inventory Control System for Computer Equipment.**

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### **Issue Summary**

*The Legislative Auditor has determined that proper inventory controls are not in place.*

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By request of the Secretary of Administration, the Legislative Auditor audited the General Services Division's computer-related equipment to determine whether proper inventory controls were in practice. The Legislative Auditor has determined that proper inventory controls are not in place. As a result of this finding, the Legislative Auditor has recommended the implementation of inventory control procedures that will safeguard against loss and theft of state property as well as account for the property in a responsible manner.

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*The Legislative Auditor could only find items that had serial numbers listed on the invoices, although this was relatively low-occurring.*

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### **The General Services Division Lacks Inventory Control for Computer Equipment**

In January of 2006, the Legislative Auditor issued a report on the General Services Division that found that the agency lacked an inventory control system for tools. By request of the Secretary of Administration, the Legislative Auditor reviewed the General Services Division's computer equipment and has determined that proper inventory controls are not in place, much in the same way as the reported condition for the tools.

The Legislative Auditor received computer-related equipment purchase invoices from the Department of Administration, which represented purchases made during calendar years 2003-2005. The Legislative Auditor then classified all of the items by type, such as processor or monitor. Table 1 provides a summary of the items purchased, by category. The invoices either describe an item by serial number, model number, written description, or a combination of all three. The Legislative Auditor could only find items that had serial numbers listed on the invoices, although this was relatively low-occurring. The written description of an item was not adequate for the Legislative Auditor's determination of the existence of an item since there were likely multiple purchases of the same item. For instance, the General Services Division bought 13 wireless keyboard and mouse sets, each item priced at approximately \$80.00. However, these products are not listed by serial number on the vendor's

*Since serial numbers are not present on the invoices, the Legislative Auditor was unable to reconcile the purchase with monitors viewed during the inventory walk-through.*

invoice. Therefore, the Legislative Auditor was unable to locate all items from the information provided on the vendor's invoice. This same scenario exists in other cases as well. In reference to the purchases of computer monitors, most are listed by a written description with no serial number. For example, during the time reviewed, the General Services Division purchased 3 JTX Brand 15" monitors. Since serial numbers are not present on the invoices, the Legislative Auditor was unable to reconcile the purchase with monitors viewed during the inventory walk-through.

Category	Number of Units	Total Cost
Monitors	23	\$7,683.22
Video Cards and TV Tuners	18	\$1,744.87
Notebooks and Desktops	13	\$10,234.91
Hard Drives	29	\$3,420.94
Switches, Fans, Cables, and Speakers	46	\$2,038.85
Keyboards and Mice Sets	14	\$1,074.97
Memory	31	\$2,960.76
Printers	16	\$5,130.95
DVD Burners and Drives, Floppy Disk Drives	40	\$1,986.50
Camera Related	3	\$638.90
Flash Drives, Memory Sticks, and Card Readers	9	\$628.29
Software	19	\$4,076.63
Processors	21	\$5,548.86
Cases, Bare Bones Computers, Network-Related Equipment, Power Supply	22	\$3,370.22
Motherboards	16	\$2,510.87
Miscellaneous	12	\$5,527.89
<b>Total</b>		<b>\$58,577.63</b>
<i>Source: Department of Administration</i>		

While the Legislative Auditor was conducting this inventory audit, the Department of Administration's Information Services & Communication Division (IS&C) was conducting a concurrent inventory review. When possible, the Legislative Auditor located purchased items using the information from IS&C when it had identified items by serial number. The

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*While the General Services Division may be able to locate a number of items that are described by the purchase card transactions, it cannot be determined if the items are in fact the items described by the invoices.*

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*It is the Legislative Auditor's opinion that items should be inventoried with internal control numbers as they are received by the Division.*

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*The mere fact that these items are valued at less than \$1,000 does not imply that the General Services Division does not have to provide accountability for them.*

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Legislative Auditor did not attempt to determine the presence of purchased items by performing a count of all items located in the Division offices. While the General Services Division may be able to locate a number of items that are described by the purchase card transactions, it cannot be determined if the items are in fact the items described by the invoices.

As a result of this review, the Legislative Auditor finds that the General Services Division currently lacks proper inventory control procedures. **The Division is not accountable for its computer inventory and is virtually unable to be audited. It is mere happenstance that some items were found.** It is the Legislative Auditor's opinion that items should be inventoried with internal control numbers as they are received by the Division. Further, the inventory control numbers should be entered into a database using software that would allow for precise determinations as to the existence of computer-related equipment. Such software is already owned and in use by the Division for other inventory control efforts, such as commodity acquisition.

### **The General Services Division Should Inventory Computer Equipment Even If It Does Not Qualify as a Reportable Property by Definition of the Department of Administration's Purchasing Division**

The Legislative Auditor was informed by General Services Division staff that items purchased at a value under \$1,000 were not formally inventoried because they were not considered reportable property by the Department of Administration's Purchasing Division. According to section 3.6 of the Purchasing Division's manual:

*...any item which has an original acquisition cost of \$1,000 or more and a useful life of one (1) year or more is required to be entered into the WVFIMS Fixed Asset system...*

It is the Legislative Auditor's opinion that this provision does not preclude any agency from performing formal inventory control procedures for items valued at less than \$1,000. The \$1,000 requirement is simply for reporting items on the state's fixed assets system. Items valued at less than \$1,000, such as computers, monitors, speakers, and keyboard and mouse sets should all be accounted for in some fashion. The mere fact that these items are valued at less than \$1,000 does not imply that the General Services Division does not have to provide accountability for them. The

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*In addition to the inventory of items valued less than \$1,000, the General Services Division should consider the cumulative value of a computer systems that are built using components.*

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General Services Division computer technician reported that it had been common practice to only inventory items over \$1,000 in value.

In addition to the inventory of items valued less than \$1,000, the General Services Division should consider the cumulative value of a computer systems that are built using components. Section 3.6.4 of the purchasing manual states that:

*Individual items making one working component are to be inventoried as one piece of equipment...should a piece of equipment be purchased for the purpose of enhancing or upgrading the item, the cost of the upgrade can be entered into the WVFIMS Fixed Asset system...[to] tie the two assets together.*

The aforementioned quote reasons that the true value of a product depends on the total value of the components in the machine. Therefore, it is possible that some General Services Division computers, which were assembled using component equipment, should have been placed on the fixed asset system. However, since the purchase of the components could take place over time, the realization of that necessity is undetected. **This is likely since the Legislative Auditor found that there were only 10 computer-related items listed on the fixed asset system.** The Legislative Auditor recommends that the General Services Division consider an item's cumulative component value when deciding whether to place the item on the fixed asset system.

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*Ensuring accountability of state property should be of utmost importance for a state agency.*

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By not instituting an inventory control system for computer-related equipment, the General Services Division is vulnerable to theft or loss. It is the Legislative Auditor's opinion that having an inventory control system for state property is a basic necessity for state government. Further, ensuring accountability of state property should be of utmost importance for a state agency. As stated earlier, the Legislative Auditor was unable to determine the location of certain equipment. The equipment's status as either stolen or missing is unknown because of the absence of any inventory control system. It is for this reason that an inventory control system is necessary.

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## The West Virginia State Legislature's Legislative Automated Systems Division Uses Inventory Control Procedures that Allow for the Location of Computer-Related Equipment

*The Legislative Auditor was informed that all computer units that are built by in-house computer staff receive an inventory control label that identifies the date that the unit was assembled as well as the order in the series of the units that were built that day.*

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*When state agencies purchase equipment that are not considered disposable, those items should be thoroughly accounted for using formalized inventory control procedures.*

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The Legislative Auditor's Office contacted the Legislative Automated Systems Division to develop criteria for proper inventory control procedures. The Legislative Auditor was informed that all computer units that are built by in-house computer staff receive an inventory control label that identifies the date that the unit was assembled as well as the order in the series of the units that were built that day. From that point, the computer unit is assigned an inventory bar code. That bar code, along with the build date label, is entered into a database. This allows for the location of the item as well as the accounting of all hardware and software installed on the unit. The bar code assigned to the machine can be later used as a means of performing internal inventory control audits to verify the accuracy of the information in the database. These inventory control procedures are regularly audited. The General Services Division should consider a similar system enabling it to track computer inventory.

### Conclusion

When state agencies purchase equipment that are not considered disposable, those items should be thoroughly accounted for using formalized inventory control procedures. Purchasing items and providing no means of tracking them until their retirement does not provide the accountability that is necessary for the protection of state assets. Further, the absence of these inventory control procedures makes the General Services Division vulnerable to theft. It is from this concern that the Legislative Auditor recommends that the General Services Division immediately adhere to the recommendations of this report.

### Recommendations

1. *The Legislative Auditor recommends that the General Services Division immediately take measures to install an inventory control system, which would include computerized inventory software that would track all Division computer equipment.*
2. *The Legislative Auditor recommends that the General Services Division immediately take measures to assign inventory control*

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*numbers to all computers and monitors. As well, the General Services Division should consider an item's cumulative component value when deciding whether to place the item on the fixed asset system.*

3. *The Legislative Auditor recommends that the Director of the General Services Division or the Secretary of the Department of Administration report to the Joint Committee on Government Operations, during its June 2006 interim meeting, as to the status of these recommendations.*



# Issue 2

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## **The Legislative Auditor Identified Risk for Loss of State Property in the General Services Division's Surplus Process.**

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### **Issue Summary**

The Legislative Auditor has identified the potential risk for loss of state property during the General Services Division's surplus process. Although the State Agency for Surplus Property makes it clear that *all* property being retired must receive proper paperwork, the Legislative Auditor has found that some General Services Division personnel may be ignoring this requirement; the effect being the potential theft of state property.

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*The State Agency for Surplus Property requires state agencies to describe property that is being retired prior to the removal of the property by the agency.*

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### **Some General Services Division Personnel May Be Unaware of the Proper Procedures Involved in Retiring State Property**

During this audit, it has become apparent to the Legislative Auditor that some General Services Division employees may be unaware of the State Agency for Surplus Property's requirement that all retired state property be accompanied by proper retirement documentation. The State Agency for Surplus Property requires state agencies to describe property that is being retired prior to the removal of the property by the agency. This is a simple process of describing what the property is, the quantity being retired, and the condition of the item on the WV-103 form. However, the Legislative Auditor understands that some General Services Division computer related items were placed on the east wing dock in the main capitol building without documentation. By default, these abandoned materials may have been reported on the proper retirement forms by other General Services Division employees charged with that responsibility, since the General Services Division is responsible for the appearance and safety of the halls. However, considerable time could elapse before these items would be accountable on the WV-103 form. The Legislative Auditor became aware of this scenario during the computer-related equipment audit when the Division's computer technician reported to the Legislative Auditor that:

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*However, the Legislative Auditor understands that some General Services Division computer related items were placed on the east wing dock in the main capitol building without documentation.*

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*Anything that does not have an inventory tag you only put in on the dock [and] there is not a form for surplus for these type [of] items (sic).*

By statement of the term “tag,” the computer technician was referring to state property valued at less than \$1,000, and therefore not considered a fixed asset. Addressing this statement, the General Services Division Maintenance Supervisor stated that:

*Concerning disposition of surplus property, I have in my files copies of forms for every item I have sent to surplus property since 1999. Inventory was logged on these forms regardless of value, and all were sent to surplus property with copies submitted for the GSD files.*

*It is our practice at Surplus Property to require that agencies provide proper retirement documents before we will schedule a pick up or accept delivery of state surplus property.*

*-Assistant Director of the State Agency for Surplus Property.*

According to the Assistant Director of the State Agency for Surplus Property:

*It is our practice at Surplus Property to require that agencies provide proper retirement documents **before we will schedule a pick up or accept delivery of state surplus property...**This documentation must be received and approved by Surplus Property before disposition of the items can take place [emphasis added].*

*It is clear that it is the responsibility of the individual agency to ensure the correct documentation of state property that is being retired.*

This process is clearly outlined in section 4.5.2.2 of the Purchasing Division’s manual, which states:

*The agency must have ready the appropriate retirement form when the Surplus Property driver picks up property at the agency’s location...**If the retirement form is complete and accurate, the retirement form will be signed by Surplus Property,** which will release the property to Surplus Property and render the retirement complete [emphasis added].*

From this statement, it is clear that it is the responsibility of the individual agency to ensure the correct documentation of state property that is being retired. **Further, it is clear that the intent of the State Agency for Surplus Property is that all property undergoing retirement be documented regardless of value.** As the maintenance supervisor stated,

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*The Legislative Auditor has determined that personnel may be unaware as to the proper procedures that are required.*

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all property was to be documented on a form (WV-103 form). However, it was the practice of the computer technician to not complete paperwork for non-tagged items, and these items were merely placed on the dock. Since the previous two statements are not consistent with each other, the Legislative Auditor has determined that personnel may be unaware as to the proper procedures that are required.

### **The Legislative Auditor Questions the Status of Some of the General Services Division's Retired State Property**

*The Legislative Auditor finds that this property was vulnerable to theft and could have been subsequently stolen. Likelihood exists for the latter, since the items would not have been missed if they were removed from the premises.*

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The Legislative Auditor is concerned with items being removed from the General Services Division's inventory without following the proper surplus procedures. As was explained, if the General Services Division's computer technician decided that an item was faulty or simply unneeded by the Division, the computer technician placed that item on the dock, without necessarily reporting the item's destination to Division management or filling out the proper paperwork. Under this practice, items could potentially sit idle for weeks or months without being accounted for on proper retirement paperwork. These items would not receive the proper documentation until the State Agency for Surplus Property is contacted for property disposition, at which time documentation would be completed.

*Because of the Division's lack of proper computer equipment inventory and following proper surplus procedures, the Legislative Auditor cannot verify if the undocumented property placed on the dock by the computer technician was ever retired.*

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**The Legislative Auditor finds that this property was vulnerable to theft and could have been subsequently stolen.** Likelihood exists for the latter, since the items would not have been missed if they were removed from the premises.

In addition, because of the Division's lack of proper computer equipment inventory and following proper surplus procedures, the Legislative Auditor cannot verify if the undocumented property placed on the dock by the computer technician was ever retired. The computer technician claimed that he would just set equipment out on the east wing dock, but the director of the State Agency for Surplus Property indicated that his agency would not receive undocumented property. Because of this, the Legislative Auditor must question what ever became of the undocumented property that was allegedly placed on the east wing dock.

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## Conclusion

*The documentation stage is a crucial internal control for the safeguarding of the state property that is being retired.*

*In the absence of the disposition paperwork, the status of property on the east wing dock is unknown.*

Regardless of value, items that are to be retired must be documented. The documentation stage is a crucial internal control for the safeguarding of the state property that is being retired. The State Agency for Surplus Property is not a garbage removal system, rather a means to provide state property that is no longer needed to qualifying entities; possibly other state agencies. In the absence of the disposition paperwork, the status of property on the east wing dock is unknown. In essence, if property was stolen from that location, and a state agency did not complete the disposition paperwork, the items would never be recognized as missing or stolen. Therefore, the Legislative Auditor recommends that the General Services Division ensure that all property undergoing retirement receive proper documentation to safeguard against the risk of loss or theft. The Legislative Auditor cannot verify if the undocumented property placed on the dock by the computer technician was ever retired; since the director of the State Agency for Surplus Property indicated that his agency would not receive undocumented property. Because of this, the Legislative Auditor questions what ever became of the undocumented property that was allegedly placed on the east wing dock.

## Recommendations

4. *The Legislative Auditor recommends that the General Services Division develop an asset disposition database for state property that is retired from the agency's use. This would include the same information required by the State Agency for Surplus Property on the WV-103 surplus disposition form.*
5. *The Legislative Auditor recommends that the General Services Division employees cease the practice of disposing property without performing the proper disposition documentation described by Recommendation 4.*

# Issue 3

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## **General Services Division Computer-Related Purchases Appear to Be Employee Perks Rather than Being Necessary for Conducting Daily Business.**

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### **Issue Summary**

During the inventory audit for computer-related equipment within the General Services Division, the Legislative Auditor became concerned with the expensive nature of certain purchases. For instance, the Legislative Auditor questions the necessity of multiple General Services Division employees having installed on their computer expensive video cards, television tuners, and high speed processors.

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*The Legislative Auditor finds that many of these purchases were unnecessary for the intended needs of General Services Division (GSD) employees.*

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### **The Legislative Auditor Has Concerns with Expensive Purchases of Computer Equipment**

As stated in the methodology for Issue 1 of this report, the Legislative Auditor recently examined the receipts for computer-related equipment purchases for calendar years 2003-2005. By categorizing each component by function, such as processor, memory, or hard drive, the Legislative Auditor was able to determine that in many cases, high end products are being purchased much of the time. The Legislative Auditor finds that many of these purchases were unnecessary for the intended needs of General Services Division (GSD) employees. In addition, the Legislative Auditor cannot find justification for employees having DVD burners, TV tuner cards, high end monitors, high end processors, and other equipment purchases. These items were not necessary for General Services work, and appear to be used for Division employees personal entertainment during work hours. Examples of items purchased for GSD employees that the Legislative Auditor identified as excessive are:

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*These items were not necessary for General Services work, and appear to be used for Division employees personal entertainment during work hours.*

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- Two laptops purchased for the former Health Safety/Asbestos Manager and his assistant. The laptops had 3.2 GHZ Pentium 4 processors. According to a Legislative Automated Services Division employee, a processor of this capacity is virtually unseen for laptop units. In fact, when this individual assisted the Legislative Auditor in examining the units in question as part of the audit,

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the employee initially stated that the 3.2 GHZ processor would probably *not* be in the unit since it is so high powered and unnecessary for the operation of a laptop. **It also must be noted that the Health Safety/Asbestos Manager also had a desktop unit, and it is not known why he would also need a laptop.**

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*In fact, during the time reviewed, the General Services Division purchased seven additional monitors, which cost more than \$400 per unit. Some of these could not be located with any certainty because of the lack of the previously mentioned inventory control procedures.*

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*Other items included in General Services computers that were not necessary for daily business were: high powered graphics cards; DVD burners; and TV tuner cards, which allows employees to watch cable television on their computer monitor.*

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- Two internal 300 Gigabyte (GB) Maxtor hard drives at a price of \$248.00 per unit. Also, the Legislative Auditor identified the purchases of a 250GB external hard drive and a 200 GB external hard drive, which were priced at \$215.00 and \$220.00, respectively.
- During the period reviewed, the General Services Division purchased over \$7,683 worth of computer monitors. By the Legislative Auditor's count, this included 23 units at an average cost of about \$341. Among these purchases were two 21" Albatron LCD TV Monitors at the price of \$499.00 per unit. The Legislative Auditor was unable to determine the location of one of the two 21" monitors. The expensive monitor purchases do not end with the purchase of the Albatron units. In fact, during the time reviewed, the General Services Division purchased seven additional monitors, which cost more than \$400 per unit. Some of these could not be located with any certainty because of the lack of the previously mentioned inventory control procedures. The Legislative Auditor questions the necessity for items of this type and expense when monitors of lesser caliber and cost are available.
- The computer technician made copies of movies on DVD, and provided those copies to General Services staff. The burning equipment and blank media were purchased with General Services funds. This issue will be discussed in further detail in this issue.
- Other items included in General Services computers that were not necessary for daily business were: high powered graphics cards; DVD burners; and TV tuner cards, which allows employees to watch cable television on their computer monitor.

The Legislative Auditor finds that the General Services Division purchased computer equipment and peripherals that were unnecessary for daily business, but instead appear to be purchased for personal entertainment during work hours. Specifically, the Legislative Auditor cannot determine the necessity for these employees having TV tuners; DVD burners;



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*According to the Secretary of the Department of Administration, the General Services Division requires approximately 20 computers to serve its office needs which includes word processing, email, and the internal office vendor ordering and work orders systems.*

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*The Legislative Auditor agrees with the Secretary of Administration, and reiterates that General Services employees wasted and mismanaged state funds by purchasing unnecessary computer equipment and technology.*

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and high-end processors and graphics cards. According to the Secretary of the Department of Administration, the General Services Division requires approximately 20 computers to serve its office needs which includes word processing, email, and the internal office vendor ordering and work orders systems. In a letter to the Legislative Auditor dated March 21, 2006, the Secretary stated:

*If any GSD employee were in need of a high-end multimedia computer, then that employee would likely be the architect (in order to view drawings). In fact, in comparison to employees who had no legitimate work need for the amounts of memory or hard drive capacity found on their computers, the architect at the time of such computer purchases was “left out of the loop,” and instead had one of the “weaker” and/or older computers. [Emphasis added].*

In addition, the Secretary continued by stating:

*Furthermore, the GSD has no need for the DVD burners, high-end DVD label makers or the large number of blank DVDs that have been found. ...Microsoft hacking software was found on one of the computers at issue, which cannot be justified.*

The Secretary also cited the wireless keyboards and wireless mice for nearly all GSD employees as unnecessary. (The full text of this letter is in Appendix B.) The Legislative Auditor agrees with the Secretary of Administration, and reiterates that General Services employees wasted and mismanaged state funds by purchasing unnecessary computer equipment and technology. Ultimately, the mismanagement of these funds lie on the individuals who requested the purchasing of this equipment, and the individuals who approved these purchases without questioning the necessity. Table 2 displays the number of items that were purchased in each category, and the high and low purchase prices within each category. Table 2 makes it clear that less expensive items could have been purchased on more occasions for General Services’ employees.

**Table 2**  
**Average Costs and Price Extremes for General Services Division Computer-Related Purchases**  
**for Calendar Years 2003-2005**

Category	Number of Units	Actual Total Cost	High Price	Low Price	Average Cost
Monitors	23	\$7,683.22	\$620.00	\$108.99	\$334.05
Video Cards and TV Tuners	18	\$1,744.87	\$249.00	\$29.99	\$96.00
Notebooks and Desktops	13	\$10,234.91	\$937.70	\$534.45	\$787.30
Hard Drives	29	\$3,420.94	\$248.00	\$51.00	\$117.96
Switches, Fans, Cables, and Speakers	46	\$2,038.85	\$493.00	\$4.95	\$44.32
Keyboards and Mice Sets	14	\$1,074.97	\$138.00	\$9.95	\$76.78
Memory	31	\$2,960.76	\$213.00	\$22.00	\$95.51
Printers	16	\$5,130.95	\$935.35	\$129.95	\$306.31
DVD Burners and Drives, Floppy Disk Drives	40	\$1,986.50	\$189.00	\$11.95	\$49.66
Camera Related	3	\$638.90	\$249.95	\$139.00	\$212.97
Flash Drives, Memory Sticks, and Card Readers	9	\$628.29	\$85.97	\$25.95	\$69.81
Software	19	\$4,076.63	\$807.91	\$49.95	\$214.56
Processors	21	\$5,548.86	\$425.00*	\$215.00	\$264.31
Cases, Bare Bones Computers, Network-Related Equipment, Power Supply	22	\$3,370.22	\$599.00	\$75.00	\$153.19
Motherboards	16	\$2,510.87	\$478.88	\$83.00	\$156.93
Miscellaneous	12	\$5,527.89	\$913.61	\$7.50	\$460.66
<b>Total</b>		<b>\$58,577.63</b>			



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## The General Services Division Computer Technician Illegally Reproduced Digital Versatile Disks Using State Resources

*These items included DVD's that allegedly were labeled with the names of copied movies.*

Department of Administration personnel discovered that the General Services Division's computer technician had been reproducing Digital Versatile Disks (DVD's) in his office located in the basement of the Capitol Building. According to the Department of Administration, the Federal Bureau of Investigation was contacted and subsequently confiscated several pertinent items from the office of the computer technician. These items included DVD's that allegedly were labeled with the names of copied movies. Shortly after discovery of this activity, the Legislative Auditor was informed and began its own review by touring the office and interviewing the computer technician.

*According to the computer technician, the duplication of DVD's occurred on a minimal basis. However, he admitted that the activity took place during work hours using state resources.*

According to the computer technician, the duplication of DVD's occurred on a minimal basis. However, he admitted that the activity took place during work hours using state resources. Apparently, the computer technician would make a copy of either personal or rented DVD's onto a computer hard drive or external storage device, then a copy of the movie would be made onto a blank DVD. According to an undated memorandum written by the state's Chief Technology Officer, the room where the activity took place contained:

*...hundreds of DVDs and CDs, hundreds of DVD jacket covers in addition to numerous DVD and CD recorders. Specifically, one hard drive contained approximately 40 full length motion videos. Two other hard drives contained over 3500 MP3 music files consuming more than 14 gig of hard drive space. Additionally, Microsoft hacking software was discovered on one of the PCs. This software is commonly used to crack header codes on copy righted materials such as movies and music to allow duplication...*

This same memorandum continued by stating:

*...personnel indicated that the CDs were used to back up their server. General Services has no reason to back-up these servers. The Office of Technology has been backing up these servers since March of 2005. Prior to March, a reasonable argument could have been made...but the last purchase of 1,000 CDs occurred in August of 2005...*

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*Multiple General Services Division employees reported that the disks were offered to them without charge, and sometimes without even requesting the movies.*

The computer technician stated to the Legislative Auditor that he had made copies of DVD's for employees of the General Services Division on multiple occasions using an unknown number of both state and personal blank DVD's. Multiple General Services Division employees reported that the disks were offered to them without charge, and sometimes without even requesting the movies. No evidence suggests that these disks were distributed in exchange for monetary or in-kind compensation.

*The Legislative Auditor is unable to determine the extent to which state resources were used to copy the DVD's in the manner described above. However, the Legislative Auditor concludes that the number of copies made or planned to be made could have been in the hundreds considering the hundreds of duplicating media and accessories that were purchased*

The Legislative Auditor is unable to determine the extent to which state resources were used to copy the DVD's in the manner described above. However, the Legislative Auditor concludes that the number of copies made or planned to be made could have been in the hundreds considering the hundreds of duplicating media and accessories that were purchased. (See Appendix C for a photograph of the cases). The Legislative Auditor does not condone this practice in the most minimal fashion. Further, it is the Legislative Auditor's opinion that the General Services Division computer technician may have violated federal law. Typically, DVD's are prefaced with the display of the following statement from the Federal Bureau of Investigation:

*Warning: The unauthorized reproduction or distribution of this copyrighted work is illegal. Criminal copyright infringement, including infringement without monetary gain, is investigated by the FBI and is punishable by up to 5 years in federal prison and a fine of \$250,000.*

*Therefore, even if the computer technician's actions were minimal, they were still illegal, regardless of a lack of an exchange of funds.*

Therefore, even if the computer technician's actions were minimal, they were still illegal, regardless of a lack of an exchange of funds. In addition, the computer technician may have violated state ethics law by using state resources for personal gain. Even if he did not collect funds in exchange for the items, if he had used state-owned media to create copies of discs for himself, he would have *gained* by not having to make the purchases of the blank media himself. **The fact that the computer technician made illegal copies of motion pictures using state resources is another example of how the General Services Division staff purchased and used state resources for personal entertainment and use rather than state business.**

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## General Services Division Employees Are Able to Request Whatever Computer-Related Equipment They Desire Without Justifying the Need

Reportedly, employees were able to request computer equipment through the director instead of first requesting the equipment or having the need for the equipment assessed first by the computer technician.

The Legislative Auditor also questions why the computer technician would not be in the position to question the purchases of the television tuners and other equipment since this would have been in his purview, although with his DVD burning operation it is clear that the computer technician was involved in requesting unnecessary equipment.

The purpose of employing a computer technician should be to safeguard the computer-related resources of the agency and to make prudent decisions as to the proper level of technology investments that should be made.

It has become apparent that General Services Division employees were able to request the purchase of any desired computer-related equipment without justifying the need. The approval for the acquisition of computer-related equipment required the approval from the director. Reportedly, employees were able to request computer equipment through the director instead of first requesting the equipment or having the *need for the equipment* assessed first by the computer technician. Concerning the purchase of the multiple television tuners, the computer technician stated that:

*I was told to give [employees a] tv card [.] I was not in the [position] to question why they needed tv only to install it (sic).*

From this statement, the Legislative Auditor concludes that the former management has removed the assessment of need by the computer technician, and taken it upon itself to approve purchases without determining whether the items were necessary. The Legislative Auditor also questions why the computer technician would not be in the position to question the purchases of the television tuners and other equipment since this would have been in his purview, although with his DVD burning operation it is clear that the computer technician was involved in requesting unnecessary equipment. Thus, the purchasing of unnecessary computer equipment represents a systemic problem. It is clear that the General Services Division wasted state dollars on needless expenditures.

## Conclusion

Upon reviewing the computer-related purchases of the General Services Division, the Legislative Auditor concludes that many of these purchases were unnecessary for the intended needs of General Services employees. The purpose of employing a computer technician should be to safeguard the computer-related resources of the agency and to make prudent decisions as to the proper level of technology investments that should be made. The General Services Division's former Deputy Director and computer technician both showed a lack of supervision and disregard

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for state resources for approving the technology purchases outlined in this issue. The computer technician should have known the technology needs of the employees and should have made the former Deputy Director aware of those needs. It is clear that this did not happen, which led to the irresponsible purchases of expensive and unnecessary computer-related equipment.

### **Recommendation**

6. *The Legislative Auditor recommends that the Department of Administration ensure that all computer purchases made by the General Services Division are necessary for its daily needs.*

# Issue 4

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## The Legislative Auditor Identified Two High-Powered Laptop Computers That Were Acquired in Violation of State Purchasing Policies and Procedures.

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### Issue Summary

*These so called “viper” notebooks were found by the Legislative Auditor to be bare-bones laptop units (bare-bone computers lack fundamental components, which make computers operational).*

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The Legislative Auditor has identified two high-powered laptop computers that were acquired in violation of state purchasing policies and procedures. By purchasing necessary computer components separately, the General Services Division circumvented, intentionally or unintentionally, state purchasing guidelines requiring the verbal bids for purchases greater than \$1,000 in value.

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*The Legislative Auditor found that this purchase order was used on three additional occasions to purchase an additional bare-bones laptop, two hard drives costing \$105.00 per unit, two processors costing \$279.00 per unit, and two memory sticks costing \$137.99 per unit.*

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The Legislative Auditor became aware of the possible purchase of multiple laptops that were unaccounted for by Department of Administration personnel. These so called “viper” notebooks were found by the Legislative Auditor to be bare-bones laptop units (bare-bone computers lack fundamental components, which make computers operational). The name “viper” had been assigned to the units by the computer vendor to describe notebook computers. The Legislative Auditor found that during September of 2005, the General Services Division purchased two of these units. Both bare-bone units contained no hard drives or memory sticks, nor processors, hence the term bare-bones. **Attached to the invoice for both bare-bones units, which were purchased only days apart, were identical purchase order forms.** Both forms contained the same purchase order number as well as the same purchase order description. As shown by Table 3, the purchase order ASB60035 authorized the purchase of one viper notebook computer at \$434.36, as well as a shipping allowance of \$27.86. The purchase order does not specify the purchase of the components. The Legislative Auditor found that this purchase order was used on three additional occasions to purchase an additional bare-bones laptop, two hard drives costing \$105.00 per unit, two processors costing \$279.00 per unit, and two memory sticks costing \$137.99 per unit. Table 3 shows the purchase that was authorized under ASB60035.

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*Including shipping and handling charges, the purchases for the two Viper laptops totaled more than \$2,186, even though the authorizing purchase order specified a spending limit of \$462.32.*

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*This is clear circumvention of purchasing controls that are designed to prevent unauthorized purchases.*

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<b>Table 3</b>				
<b>Purchases Authorized by Purchase Order ASB60035</b>				
<b>Product Description</b>	<b>Vendor</b>	<b>Date</b>	<b>Unit Price</b>	<b>Shipping Cost</b>
Viper Notebook Computer	Not Specified	9/23/05	\$434.46	\$27.86

*Source: Department of Administration*

Including shipping and handling charges, the purchases for the two Viper laptops totaled more than \$2,186, even though the authorizing purchase order specified a spending limit of \$462.32. Table 4 shows the actual purchases that were made under ASB60035. The purchases for each of the products were made without formal authorization, though it may have occurred verbally. Nonetheless, this is clear circumvention of purchasing controls that are designed to prevent unauthorized purchases. That is, if the General Services Division buyer does not recognize that there are possible unauthorized purchases that are being requisitioned, the buyer circumvents the internal control process. Even though verbal authorization may have occurred, it is impossible to verify for certain. Therefore, the Legislative Auditor recommends that all purchases be accompanied by authorizing purchase orders that *accurately* describe the intended purchase.

The General Services Division appears to have circumvented state Purchasing Division guidelines by splitting a large purchase into several purchases.

Table 4 Actual Purchases Made Under Purchase Order ASB60035				
Product Description	Vendor	Date	Unit Price	Shipping Cost
ACI Viper Notebook (Bare-bone)	Americomp, Inc.	9/23/05	\$534.45	\$23.62
ACI Viper Notebook (Bare-bone)	Americomp, Inc	9/26/05	\$534.45	\$23.10
60 GB Hard Drive	Computers Plus	9/29/05	\$105.00	\$0.00
60 GB Hard Drive	Computers Plus	9/29/05	\$105.00	\$0.00
3.2 Ghz Pentium 4 Processor	Computers Plus	9/29/05	\$279.00	\$0.00
3.2 Ghz Pentium 4 Processor	Computers Plus	9/29/05	\$279.00	\$0.00
1 G Memory	New Egg	9/29/05	\$137.99	\$13.45
1 G Memory	New Egg	9/29/05	\$137.99	\$13.45
			<b>\$2,112.88*</b>	<b>\$73.62</b>
*This amount does not reflect the total cost associated with making these units operational. Additional purchases of an operating system, word processing software, a wireless network card, would lead to additional charges. Source: Department of Administration				

While each individual purchase associated with Purchase Order ASB60035 is well below the threshold of \$1,000, the cumulative value exceeds twice that amount.

In addition to the circumvention of internal control procedures, which would prevent unauthorized purchases through use of signature authorization, the General Services Division appears to have circumvented state Purchasing Division guidelines by splitting a large purchase into several purchases. Section 3.2 of the West Virginia Purchasing Division Policies and Procedures Handbook:

*For purchases \$1,000.01 and \$5,000 three verbal bids are required, where possible, and should be documented on a Verbal Bid Quotation Summary (WV-49).*

While each individual purchase associated with Purchase Order ASB60035 is well below the threshold of \$1,000, the cumulative value exceeds twice that amount. Even if the purchase order had described two computers of equal value, the cumulative values of each set of components combined would have exceeded the threshold. No documentation indicating the receipt of any bid, verbal or written, was ever provided to the Legislative Auditor. Concerning the “where possible” exception,



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the Legislative Auditor cannot imagine that any exigencies could have existed, whereby allowing the General Services Division to circumvent the procedural requirement to obtain three verbal bids.

*While it is not clear if these purchases were intentionally strung so as to avoid state purchasing guidelines or sloppy record keeping, the former asbestos health/safety manager, the former computer technician, and the purchaser should have realized that Purchase Order ASB60035 authorized the purchase of only a fraction of what would ultimately be required to make the laptop operational.*

While it is not clear if these purchases were intentionally strung so as to avoid state purchasing guidelines or sloppy record keeping, the former asbestos health/safety manager, the former computer technician, and the purchaser **should have realized that Purchase Order ASB60035 authorized the purchase of only a fraction of what would ultimately be required to make the laptop operational.** Concerning this oversight, the purchaser stated that the former asbestos health/safety manager had signature authority for purchases up to \$5,000 using the Asbestos Litigation Fund (ASB). While this authorization was made verbally, it was not indicated properly on the purchase order.

## **Conclusion**

The Legislative Auditor cannot determine whether it was intended that state purchasing guidelines were intentionally violated. Further, the Legislative Auditor cannot determine any purpose that this would have served, other than convenience, given that the purchases do not appear to favor any particular vendor. Therefore, the Legislative Auditor recommends that the General Services Division cease the practice of verbal purchase authorizations using improper purchase orders.

## **Recommendations**

7. *The Legislative Auditor recommends that the General Services Division follow proper bid requirements for all purchases.*
8. *The Legislative Auditor recommends that when the General Services Division makes purchases, it does so with accurate purchase orders that describe nothing less than that which is being purchased.*



## **The General Services Division Has Not Maintained the Capitol Complex Parking Garage As Recommended In Reports Issued by Three Different Engineering Firms.**

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### **Issue Summary**

*These conditions are leading to an accelerated pace of deterioration to the parking garage.*

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In 1998, the General Services Division awarded a contract to BBL-Carlton, of Charleston, to construct a parking garage on the Capitol Complex grounds. The construction of the Capitol Complex parking garage was completed in October 1999. During the ongoing review of the General Services Division, the Legislative Auditor discovered that several problems exist within the parking garage structure. These problems include, but are not limited to: cracking of the concrete throughout the entire structure; chunks of concrete breaking loose and falling from around the drainage pipes; a poor water sealant used on the top floor of the garage that is allowing water leakage throughout the structure which is causing the rusting of pipes and fire extinguisher cases and the deterioration of concrete; the water leakage is also causing puddle formations throughout the entire structure; and, a busted protective cap exposing a loose bolt in the stair tower that could be turned by hand. These conditions are leading to an accelerated pace of deterioration to the parking garage. It is the opinion of the Legislative Auditor that these problems exist due to a lack of proper maintenance by the General Services Division.

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### **General Services Division Employees Expressed Concerns Regarding the Capitol Complex Parking Garage to the Legislative Auditor**

Employees with the General Services Division expressed their concerns regarding the Capitol Complex parking garage conditions to the Legislative Auditor in January 2006. The employees explained that they felt there were problems with construction of the structure, and felt that the contractor, BBL-Carlton, may be at fault for some of the current conditions. The employees implied that the former director ignored their concerns during and after the construction phase, and accepted the parking garage “as is” from BBL-Carlton. According to the employees,

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the former director admitted that the lack of maintenance by the General Services Division was the cause of the problems, not the construction work performed by the contractor. Three different engineering firms released reports that found that the deteriorating conditions were most likely due to a lack of maintenance by the General Services Division.

*Although the claims have been minimal, it is the opinion of the Legislative Auditor that the General Services Division could be responsible and liable for any damage to vehicles or persons due to the poor conditions of the parking garage.*

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Due to the deteriorating conditions of the parking garage, the General Services Division has received claims for damage to vehicles. For example, one claim involved chunks of concrete falling from around the drainage pipes onto a vehicle causing a dent and scratches. Although the claims have been minimal, it is the opinion of the Legislative Auditor that the General Services Division could be responsible and liable for any damage to vehicles or persons due to the poor conditions of the parking garage. The Legislative Auditor recommends that the General Services Division immediately take action to ensure that the safety of persons and vehicles using the Capitol Complex parking garage.

### **The Legislative Auditor Observed the Deteriorating Conditions of the Capitol Complex Parking Garage**

On February 3, 2006, staff from the Legislative Auditor's office were given a tour of the Capitol Complex parking garage by employees from the General Services Division. The Legislative Auditor observed cracking of the concrete throughout the entire structure; chunks of concrete breaking loose and falling from around the drainage pipes; a poor water sealant used on the top floor of the garage that is allowing water leakage throughout the structure which is causing the rusting of pipes and fire extinguisher cases and the deterioration of concrete; the water leakage is also causing puddle formations throughout the entire structure; and, a busted protective cap exposing a loose bolt in the stair tower that could be turned by hand. Photos of observed conditions were taken and can be seen in Appendix D.

*From April 2002 to October 2003, three reports were issued regarding the conditions of the Capitol Complex parking garage. The recommendations from these reports can be found in Appendix E.*

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### **Three Reports Have Been Issued Regarding the Conditions of the Capitol Complex Parking Garage**

From April 2002 to October 2003, three reports were issued regarding the conditions of the Capitol Complex parking garage. The recommendations from these reports can be found in Appendix E. On April 3, 2002, Harry S. Peterson Company issued a report after inspecting the

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*The report also noted cracking that was causing water leaks throughout the structure.*

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*The report found that one of the subcontractors was using uncertified welders, and many of the welds were found to be unsatisfactory.*

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*The parking garage appeared to be the victim of stresses that will in the next three to five years cause serious and possibly irreparable harm.*

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current conditions of the parking garage at that time. The parking garage was less than three years old. Among the various findings of the report, it noted that on the roof level of the parking garage, approximately 41% of the 968 weld connections were exhibiting halo cracks around the flange weld connections, causing water infiltration past installed sealants and eventual further concrete and steel deterioration. The report also noted cracking that was causing water leaks throughout the structure. The report concluded with a list of prioritized short and long term recommendations for maintaining the parking garage.

On August 1, 2003, Stroud, Pence & Associates, Ltd. issued a structural investigation report regarding the parking garage. As the Harry S. Peterson Company reported, welding seemed to be a major issue. The report found that one of the subcontractors was using uncertified welders, and many of the welds were found to be unsatisfactory. These welds were eventually corrected. The report goes on to state:

*...the overall condition of this structure can best be described as good, considering the fact that it has been in service almost four years, and has not received the most basic maintenance or housekeeping performed on it.*

The report concludes:

*Given the age of this structure, many of these items should be considered as normal housekeeping, preventative maintenance, and repairs. They should be addressed as part of a periodic program that is developed and implemented by the owner of the structure.*

On October 3, 2003, H.C. Nutting Company issued another report. The report centered around an inspection of the parking garage performed by the company with the objective of observing any signs of serious deterioration that would prevent or hinder the current use of the parking garage. The report stated that none were found, but that **the parking garage appeared to be the victim of stresses that will in the next three to five years cause serious and possibly irreparable harm.** Like the first report, this report also noted cracking and water leaks throughout the structure, and listed recommendations to help maintain the parking garage. After the recommendations, the report stated:

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*These items if implemented in a timely manner will extend the useful life of this structure to and possibly beyond the fifty year point.*

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*All three reports allude to the fact that basic maintenance and upkeep would have helped to prevent the deteriorating conditions of the parking garage.*

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## **The Department of Administration and the General Services Division Have Not Addressed the Concerns of the Capitol Complex Parking Garage**

All three reports allude to the fact that basic maintenance and upkeep would have helped to prevent the deteriorating conditions of the parking garage. The General Services Division did not provide this service. On February 8, 2006, the Legislative Auditor asked the Secretary of Administration whether or not any Administration officials previous to his appointment had addressed the recommendations put forth in any of the three reports. On February 15, 2006, the Secretary of Administration responded:

*“Not to date”*

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*The Legislative Auditor questions why it has been nearly four years since the first engineering report was issued and no action has been taken by the Department of Administration and the General Services Division.*

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The Legislative Auditor questions why it has been nearly four years since the first engineering report was issued and no action has been taken by the Department of Administration and the General Services Division.

## **The General Services Division Should Take Steps to Immediately Implement Routine Maintenance Procedures to Address the Current Conditions of the Capitol Complex Parking Garage**

According to the Precast/Pre-Stressed Concrete Institute Publication (PCI), which is referenced in the Harry S. Peterson Company report, maintenance which is required due to public use, weathering, and traffic wear is divided into three categories:

- Housekeeping
- Preventive Maintenance
- Repairs

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## Housekeeping

Housekeeping should be performed by the parking structure operator (General Services Division) and includes, but is not limited to:

- Sweeping and trash pick up
- Window cleaning
- Parking space restriping
- Lighting and fixture cleaning and relamping
- Cleaning, repair and maintenance of signs
- Parking equipment and revenue control system maintenance
- Security systems check

*According to PCI, the objective of preventive maintenance is to keep the parking structure protective system at a high level in order to minimize the intrusion of water and deicing salts into the concrete. It is evident from this review that the General Services Division has failed to do this.*

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## Preventive Maintenance

General preventive maintenance is performed on a periodic basis and includes, but is not limited to:

- Twice-a-year washdown
- Sealing cracks
- Reapplying of floor sealers and cleaning necessary reapplication
- Maintaining sealants (caulking)
- Maintaining roofing and related sheet material
- Painting/repainting
- Maintaining masonry, including repointing and recaulking
- Tightening guard rail bolts and guard rail strand

**According to PCI, the objective of preventive maintenance is to keep the parking structure protective system at a high level in order to minimize the intrusion of water and deicing salts into the concrete.** It is evident from this review that the General Services Division has failed to do this.

## Parking Structure Repairs

According to the Precast/Pre-Stressed Concrete Institute Publication, repairs may be necessary in aggressive environments. The repairs can vary from minor surface repairs to structural reconstruction. Structural deterioration in parking structures is most often related to water leakage,

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corrosion, freeze/thaw or scaling deterioration, and volume change movements. Surface deterioration is often related to weathering, ultraviolet deterioration of sealants and coatings. Repairs may include patching of potholes, removal and replacement of reinforcing steel, floor slabs overlays, replacement of expansion joints, and the replacement of bearing pads.

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*Additionally, it is strongly recommended that the parking garage structure owner (General Services Division) retain an engineer experienced in parking structure design and restoration to periodically (e.g., once every three years) perform a condition audit of the parking structure.*

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Additionally, it is strongly recommended that the parking garage structure owner (General Services Division) retain an engineer experienced in parking structure design and restoration to periodically (e.g., once every three years) perform a condition audit of the parking structure.

The Legislative Auditor recommends that the General Services Division consult the Precast/Pre-Stressed Concrete Institute Publication and immediately take steps to implement routine maintenance procedures to address the current conditions of the Capitol Complex parking garage. The Legislative Auditor also recommends that General Services Division retain an engineer experienced in parking structure design and restoration to periodically perform a condition audit of the parking structure.

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*The structure is a victim of what appears to be the lack of routine maintenance by the General Services Division. This notion is confirmed and agreed upon in reports previously issued by three different engineering firms.*

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## **Conclusion**

The Legislative Auditor has outlined several problems that exist in the Capitol Complex parking garage. The structure is a victim of what appears to be the lack of routine maintenance by the General Services Division. This notion is confirmed and agreed upon in reports previously issued by three different engineering firms. The current conditions of the parking garage are leading to an accelerated pace of deterioration, and immediate action is necessary to remedy the situation. If immediate action is not taken, it could cost the State a large sum of money in the future, and potentially endanger the public.

## **Recommendations**

9. *The Legislative Auditor recommends that the General Services Division consult the Precast/Pre-Stressed Concrete Institute Publication and immediately take steps to implement routine maintenance procedures to address the current conditions of the Capitol Complex parking garage.*
10. *The Legislative Auditor recommends that General Services Division retain an engineer experienced in parking structure design and restoration to periodically perform a condition audit of the*

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*parking structure.*

11. *The General Services Division should report to the Joint Committee on Government Operations during the June 2006 interim with a plan of action for maintaining the Capitol Complex parking garage.*





# Appendix A: Transmittal Letter

## WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0610  
(304) 347-4890  
(304) 347-4939 FAX



John Sylvia  
Director

May 2, 2006

Robert W. Ferguson, Cabinet Secretary  
Department of Administration  
Building 1, Room 119-E  
1900 Kanawha Blvd. East  
Charleston, WV 25305-0120

Dear Secretary Ferguson:

This is to transmit a draft copy of the Special Report of the General Services Division. This report is scheduled to be presented during the May 21<sup>st</sup> through May 23<sup>rd</sup> interim meeting of the Joint Committee on Government Operations. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report, and answer any questions the committee may have.

If you would like to schedule an exit conference to discuss any concerns you may have with the report, please notify us between now and May 9, 2006. We need your written response by noon on Wednesday, May 10, 2006 in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 340-3192 by Thursday, May 18, 2006 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "John Sylvia".

John Sylvia

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*Joint Committee on Government and Finance*

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# Appendix B: Letter from Secretary of Administration

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JOE MANCHIN III  
GOVERNOR

STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION  
OFFICE OF THE CABINET SECRETARY

ROBERT W. FERGUSON, JR.  
CABINET SECRETARY

March 21, 2006

Denny Rhodes, Research Manager  
Performance Evaluation & Research Division  
Legislative Services  
Building 1, Room W-314  
1900 Kanawha Blvd., East  
Charleston, WV 25305

Re: Computer-related Equipment Purchases Made by General Services

Dear Mr. Rhodes:

Please allow this correspondence to serve as my response to your letter dated March 1, 2006, in which you requested my opinion as to the appropriateness of past expenditures for computer-related equipment made by General Services Division ("GSD"), specifically, whether I believe that these purchases were justified. My opinion is based on information set forth in the January 5, 2006 memorandum to me titled, "Information and Technology in Relationship to General Services," from Kyle Shafer, Chief Technology Officer ("CTO") of the Information Services and Communications Division ("IS&C").

The information contained in the memorandum, in conjunction with the review of purchases as well as personal interviews of GSD employees regarding the technology needs of the GSD, serves as the basis for my opinion that the purchases of a number of computers, computer components, computer-related equipment, media and peripheral devices were unnecessary and cannot be properly justified. It is my understanding that the amount of memory and hard drive capacity found on many of the computers at issue which were assembled by a GSD employee was excessive for GSD office needs, and was likely present in the computers for non-work related computer use, such as multimedia viewing.

With regard to the Purchasing Code, I submit the following from the Purchasing Division's Handbook:

**8.3 Data Processing Equipment/Software:** The West Virginia Code, §5-1B-4 (a)(3), requires that the Chief Technology Office (CTO), in conjunction with the Information Services & Communications Division (IS&C) of the Department of Administration, review and approve all data processing procurement for State agencies. State agencies may process computer hardware, software and consulting services with an estimated value of less than \$10,000 without CTO approval, but must provide copies of agency purchase

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EQUAL OPPORTUNITY EMPLOYER

Denny Rhodes, Research Manager  
Legislative Services  
March 21, 2006  
Page 2

orders to the CTO. All purchases of computer hardware, software and consulting services in excess of \$10,000 must have prior approval of the CTO's office before they can be processed. Such proposed purchases must be submitted to IS&C for review and evaluation, and the results will be forwarded to the CTO's Office for final approval." It should be noted however, that it has been an "unwritten" policy for some time now that technology purchases exceeding \$1,000 be made through and approved by IS&C. In the summer of 2005, I specifically directed my division directors to gain approval from the CTO of IS&C before any computer or computer-related purchases were made.

My Assistant General Counsel's interview with certain GSD employees revealed that the GSD requires approximately twenty (20) computers to serve their office needs, most of which are used for typical GSD office work, such as word processing, e-mailing, and using the vendor and work order systems. If any GSD employee were in need of a high-end multimedia computer, then that employee would likely be the architect (in order to view drawings). In fact, in comparison to employees who had no legitimate work need for the amounts of memory or hard drive capacity found on their computers, the architect at the time of such computer purchases was "left out of the loop," and instead had one of the "weaker" and/or older computers.

As noted above, computer purchases were being made directly by the GSD and given task approval by GSD management rather than being made through IS&C, and many purchases for a single computer were made "piecemeal" and later assembled by a GSD employee. It is my understanding that successive purchase orders would add components and devices for a given computer, and thereby potentially avoid the purchasing code limit, which raises suspicion of a designed effort to circumvent the technology purchasing policies in place at the time of the purchases at issue. Furthermore, the GSD has no need for the DVD burners, high-end DVD label makers or the large number of blank DVDs that have been found. As also noted above, Microsoft hacking software was found on one of the computers at issue, which cannot be justified. It also is highly disturbing that some of these later-assembled computers with excessive memory and hard drive capacities had no serial numbers and were not affixed with a bar code tag for inventory purposes.

Another example of unnecessary and unjustifiable purchases is the purchase of wireless keyboards and wireless mice for nearly all GSD employees. Kyle Schafer, our CTO, explained to my Assistant General Counsel that a typical computer purchase includes a wired keyboard and wired mouse. A wireless keyboard and mouse set costs approximately \$50 more than a wired keyboard and mouse. Given the volume of these wireless devices purchased in the GSD recently, this relatively small dollar difference adds up, and I consider it both wasteful and unjustified. If a new mouse or keyboard were actually needed by a GSD employee, and a request for a wireless device were made to the CTO, he would not approve the purchase of such devices unless a legitimate necessity for an unwired device existed, such as when a computer is used in a conference room and freedom of movement is essential. In this case, these more expensive wireless keyboards and mice recently purchased are in use in desktop

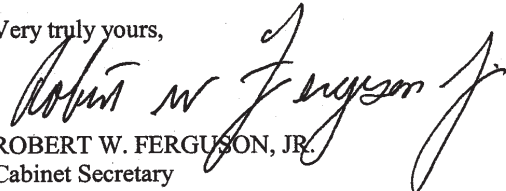
Denny Rhodes, Research Manager  
Legislative Services  
March 21, 2006  
Page 3

work situations not requiring such freedom of movement. Therefore, if a request for these devices had been made through the CTO, he would not have approved their purchase. Moreover, it is unknown whether there was a true need for new keyboards and mice, but given that nearly every GSD employee now has such devices at their desks, it appears unlikely that the need for all of them was genuine. It is also my understanding that there may be several unopened wireless keyboard and mouse packages sitting in storage at the GSD. An upcoming inventory of all computer-related equipment will reveal the actual number of such devices. Obviously, State agencies and employees should not be simply "upgrading" their computer equipment any time they see fit without a legitimate need. It should also be noted that when the Leasing Division came under to the GSD over a year ago, Leasing Division employees were also provided three entirely new computers, complete with wireless keyboards and mice. The Leasing Division similarly does not have a justifiable need for wireless keyboards and mice.

Given the information set forth above, it is my opinion that the Purchasing Code was most likely circumvented by the GSD. It is also my opinion that on whole, the GSD purchased more computer hardware, and higher-end computer hardware, than was necessary for the GSD's office needs and, thus, such purchases were unjustified. The DVD burning equipment, DVD label makers and recordable media which have been found in the GSD obviously represent unjustifiable technology purchases. Further, it is my opinion that the purchase of wireless devices was also unjustified. I do not have an opinion as to the GSD's necessity for flat panel computer monitors, because I am not currently aware whether or not new monitors were needed. However, in light of the known excessive and unnecessary purchases listed above, it is reasonable to believe that these too were unnecessary. Should I become aware of additional information, I will gladly update this response.

Finally, it is my opinion that the above unnecessary, inappropriate and unjustified technology purchases represent a culture of failure and gross mismanagement by the leadership of the GSD. Based on a preliminary inquiry conducted by my office and numerous interviews of all the GSD managers, it is clear that no reasonable controls were in place to safeguard the Division's and the State's resources. The fact that all managers/supervisors claim they had no knowledge of the DVD burning scheme, the fraudulent overtime submissions, the erroneous computer purchases, and the possible stringing of contracts is an abomination to the tenets of basic leadership and management.

Very truly yours,



ROBERT W. FERGUSON, JR.  
Cabinet Secretary

RWF:WBH:jj





# Appendix C: Media Cases

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# Appendix D: Capitol Complex Parking Garage

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# Appendix E: Engineering Report

## Recommendations

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CAPITOL PARKING GARAGE April 3, 2002

### ◆ PRIORITIZED RECOMMENDATIONS

#### Near Term

- The cause of the cracking of the concrete around the flange weld connections should be determined. It is only suspected that the cause of these cracks was due to the overheating of steel and stainless weld connection components during erection, however, an engineer, experienced in pre-cast construction and restoration, should be consulted. Please refer to PCI (Precast/Pre-Stressed Concrete Institute) Publication MNL-127 "Recommended Practice for Erection of Precast Concrete", Welding, pages 127, 132, for elaboration. A properly installed double tee flange connection detail can be found on page 5-13. *Please note that this document is referenced in the submitted specifications for the project.*
- Employ appropriate methods to eliminate the remaining, uneven, differential camber and elevation from adjacent pre-topped double tees at various locations throughout the structure. Grinding, using environmentally safe methods, without disturbing embedded weld connections, should be employed. Replacement of flange joint sealant may also be required at these locations. Areas of concern and some previously ground flanges are highlighted in green on the returned "as-built" drawings. This work will be required if and when a waterproof deck coating system is installed on the roof level. This situation is discussed in PCI Publication MHL-116, page 4-20. *Please note that this document is referenced in the submitted specifications for the project.*
- Repair cracks and any deteriorated weld connections and neighboring concrete by appropriate methods. Some of the repair alternatives include routing and sealing with a traffic bearing sealant, application of a gravity fed epoxy into the cracks, and the installation of steel supplemental weld connections, if necessary, with their necessitated concrete repairs.
- Remove any delaminated cementitious field applied topping before the material washes into the drains. This material seems to have been installed to improve positive drainage to drains and eliminate water ponding. Unfortunately, this material is exhibiting severe shrinkage cracking and should be re-installed using proper 5-7 day wet curing techniques. Alternative consideration may include the installation of 4", PVC, supplemental drains in locations of ponding water. This work will be required if and when a waterproof deck coating system is installed on the roof level. Repair procedures are addressed in PCI Publication MHL-127, pages 143, 144, and 146.
- Determine if the installation of an appropriate, water proof, expansion joint assembly should be installed at the location of the steel transition plate currently installed. Further, remove plywood from the under side, located in crawl storage space, and verify if the flange of the first pre-cast double tee is adequately connected to transfer diaphragm shear and distribute wheel loads. Please refer to PCI Publication MNL-116, page 4-21 for elaboration..
- Establish and utilize a maintenance budget to replace missing sealants and to repair random cracks this year and annually thereafter by appropriate, warrantable, repair methods.
- Enforce a Preventive Maintenance Program that is, at minimum, equal to the guidelines established by the PCI in their Publication MHL-116-99. A copy of that Guideline is enclosed for reference.
- Dispatch a qualified Engineer to investigate the cause of horizontal and radial cracking at the tee stems under Level 3. Epoxy inject cracks after Engineer findings and if consistent with the Engineers' recommendations.

Harry S. Peterson Company  
Page 7 of 9

-Dispatch a qualified Engineer to investigate the cause of flange cracking on the undersides on the double tees a various locations indicated on the "as-built" drawings. Epoxy inject cracks after Engineer findings and if consistent with the Engineers' recommendations.

-Investigate and temporarily support the dropped flange at the isolated location found on Level 3. Repair as recommended by the Engineer.

Long Term

-Maintain a Preventative Maintenance Program and funding budgets consistent with the needs of the structure. - Familiarize maintenance personnel with the structures components, seasonal wash down procedures, and develop a file and record of annual work needed and performed on the structure.

-Install a heavy duty, warrantable, waterproof, traffic bearing deck coating system on the roof level. Consider this approach to prohibit water infiltration down into the lower levels while preserving and protecting the floor surfaces on the roof and lower levels from the rigors of seasonal water damage.

-Monitor annually, via a check list procedure, seasonal crack movements, longevity of recently performed repairs, and check for and enforce any needed warrantable repairs.

Recommendations:

1. A more enhanced study of this Parking Garage Structure including mapping all cracks and excessively widened joints.
  - A. Removing and replacing all top level seals.
  - B. Removing and replacing all top level cracked concrete repairs.
2. Establishing a system of "Hard Points" to allow a surveying grid to be established to enable mapping the garage foundation and floor shifting.
  - A. Separate seasonal variations from true shifting of the foundation.
3. Drilling and evaluating core samples adjacent to the garage and in the asphalt ground level pavement to establish the ground support to the garage structural column anchor bases.
4. Correlation of information in items 1, 2, & 3 and formation of a plan to anchor the garage in to one structure that will shift as a unit.

Summary:

These Items if implemented in a timely manner will extend the useful life of this structure to and possibly beyond the fifty year point.

Respectfully Submitted,

*Gordon E. Smith*

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Gordon E. Smith  
Sr. Consultant



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## CONCLUSIONS AND RECOMMENDATIONS

Based upon the cursory visual survey, the overall condition of this structure can best be described as good, considering the fact that it has been in service almost four years, and has not had even the most basic maintenance or housekeeping performed on it.

However, there are a number of conditions which should be addressed, as follows:

1. Perform routine maintenance, including cleaning, re-sealing joints, re-painting deck markings, etc.
2. Monitor tee to tee connections periodically. Perform additional repairs as necessary.
3. In areas of pedestrian traffic, eliminate differential elevations between tee flanges. Grind high areas and/or use suitable topping material to fill low areas.
4. Monitor hairline cracking in stems of double tee's. Any changes shall be brought to the attention of this office. If deemed appropriate, cosmetic repairs can be performed.
5. Repair cracks in flanges of double tees with an appropriate epoxy material.
6. Remove and replace cracked and delaminated field topping material.
7. Rout and seal cracks in pour strips.
8. Tighten loose bolt and replace cracked bolt cover in stair tower wall panel connection.
9. Repair spalled concrete at double tee flange connection at the underside of the 3rd level, column line D, 8 to 9.

- 
10. Remove and replace failed patch material at the litewall, back of the spandrel panel, etc.
  11. Patch spalled concrete around the deck drains.
  12. Clean and paint rusting welds at exposed connections.

Given the age of this structure, many of these items should be considered as normal housekeeping, preventative maintenance, and repairs. They should be addressed as a part of a periodic program that is developed and implemented by the owner of the structure. There are, however, other items that are beyond the scope of the normal housekeeping, maintenance and repair program.





# Appendix F: Agency Response



JOE MANCHIN III  
GOVERNOR

STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION  
OFFICE OF THE CABINET SECRETARY

ROBERT W. FERGUSON, JR.  
CABINET SECRETARY

May 19, 2006

RECEIVED  
MAY 19 2006

PERFORMANCE EVALUATION AND  
RESEARCH DIVISION

Aaron Allred  
Legislative Auditor  
Legislative Auditor's Office  
Building 1, Room E-132  
1900 Kanawha Blvd. East  
Charleston, West Virginia 25305

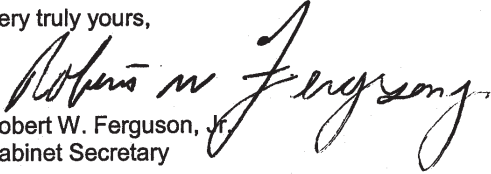
Dear Mr. Allred:

I appreciate your allowing me to review the draft of the recent Legislative audit.

The Department of Administration agrees with the recommendations in the draft report.

If you have any questions, or need additional information, please contact me at 558-4331.

Very truly yours,

  
Robert W. Ferguson, Jr.  
Cabinet Secretary

RWFJr/jt

cc: ✓ Denny Rhodes, Research Manager  
James Kirby, General Counsel

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