

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

1900 Kanawha Blvd. East
Building 1, Room W-314
Charleston, WV 25305-0610
(304) 347-4890



John Sylvia
Director

December 6, 2022

The Honorable Craig Blair, President
West Virginia Senate
Room 229M, Bldg. 1
1900 Kanawha Blvd. E.
Charleston, WV 25305

The Honorable Roger Hanshaw, Speaker
West Virginia House of Delegates
Room 228M, Bldg. 1
1900 Kanawha Blvd. E.
Charleston, WV 25305

Dear Chairmen:

This letter-report is at the request of the legislative auditor following a concerning event during the 2022 legislative session. Thirty-one (31) different claims by vendors for payment were filed with the Legislative Claims Commission (LCC) against the Office of Technology (OT) and were included in the introduced version of the 2022 claims bill. However, the LCC clerk had to subsequently remove those claims from the claims bill because the LCC learned that the OT had already paid the claims during calendar year 2021. Normally, agencies should not pay vendor claims if they are included in the claims bill to avoid double payments. The amount of the claims totaled nearly \$480,000. The Performance Evaluation and Research Division (PERD) was directed to examine the LCC process to identify how these claims were nearly paid twice, and how such an occurrence can be avoided in the future.

The LCC Serves as a Conduit for Individuals or Vendors Wishing to File a Claim Against the State

Article VI, Section 35 of the West Virginia Constitution affirms that "*the State of West Virginia shall never be made defendant in any court of law or equity,*" subsequently preventing an individual or entity from suing the State. To provide an option for individuals or entities wanting to file a claim of monetary damages against the State, the Court of Claims was created by an Act of the Legislature in 1967. The Court of Claims was renamed the Legislative Claims Commission

in 2017 and consists of three commissioners appointed by the President of the Senate and the Speaker of the House, “*one of whom shall be appointed presiding commissioner,*” per §14-2-4 of W.Va. State Code.

There are instances in which a vendor rendered services to a state agency but was not paid during a fiscal year. These vendors can file a claim with the LCC to receive payment if state agencies are unable to pay. Ultimately, the LCC does *not* directly award damages to claimants, but makes *recommendations* to the Legislature to award payment through state funds. In many cases, the process begins when an LCC claim is filed by individuals or vendors against an agency. The Office of the Attorney General (AG), representing the respondent agency, then admits the validity of the claim before a final opinion is issued by the LCC regarding whether the claim should be paid. Once the LCC recommends an award “*based upon a finding of moral obligation*” of the State to pay the claimants, the claim is included in the claims bill for the upcoming regular session of the Legislature. The Legislature reserves the right to amend the bill by awarding payment amounts that differ from the LCC’s original recommendation or remove claims from the final bill altogether. After the bill successfully completes the legislative process, appropriations for the claims are made in the budget bill. The relevant funds are then made available at the beginning of the new fiscal year for the agencies to administer payments to the vendors for the claims. This process could take over a year before a vendor receives payment for services rendered.

The OT Did Not Correctly Follow the LCC Process Throughout 2021, Resulting in 31 Claims, Totaling Over \$479,000, Being Erroneously Included in the Introduced Version of the 2022 Claims Bill

The original version of the 2022 claims bill, Senate Bill 571, included 31 different claims by 8 different vendors against the OT when introduced in the Legislature on February 3, 2022. That same day, the OT’s general counsel informed the LCC clerk that the OT claims, which totaled \$479,713, had already been paid by the agency, and therefore should be “*amended out of the bill.*” The OT provided the LCC with proof of payment, confirming that it submitted and received disbursements from the State Auditor’s Office (SAO) for the 31 claims between March and November 2021. Because the OT had not communicated the payments of these claims until after the start of the legislative session, this placed the LCC in a precarious position and triggered a frantic effort to have the claims removed before the final vote on the bill. **The 31 claims could have been subject to double payments, had they not been removed from the final version of the bill.**

In every case, the AG admitted the validity of the claim on behalf of the agency, and the OT would internally approve payment shortly after the LCC formally issued an opinion for the claim to be awarded. As previously stated, however, the issued opinion regarding a claim is merely a *recommendation* for the Legislature, and not a formal greenlight from the LCC for the agency to administer payments to the vendor. The OT repeatedly engaged an incorrect practice that contradicted the order of the LCC process by paying the claimant vendor before the Legislature had passed the claims bill containing the recognition of the State’s moral obligation to issue the

award. The 31 OT claims were also paid before the proper funding allocated by the budget bill had been made available in the oncoming fiscal year.

The number of claims against the OT throughout 2021 is unique in that the agency has not maintained a historically high number of LCC filings. Table 1 below shows the LCC claims history for enrolled claims bills from 2017 – 2022. As can be observed, the OT did not have more than four claims against it in any given year.

Table 1 OT Claims Bill History 2017 – 2022			
Legislative Session	Number of Claims	Award Amount	Claimant Vendors
2022	0	-	-
2021	2	\$19,910	State Electric Supply, Ricoh
2020	0	-	-
2019	4	\$201,308	Verizon, Ricoh
2018	2	\$19,781	South Charleston Electric, Ricoh
2017	4	\$455,660	Pomeroy IT Solutions, Ricoh, Verizon, WEX Bank
<i>Source: PERD review of enrolled LCC bills.</i>			

Vendors Filed LCC Claims Against the OT in 2021 for Various Reasons

Vendors oftentimes utilize the LCC to receive payments for invoices that were billed for services conducted during a previous fiscal year. Every LCC opinion issued for claims against the OT in 2021 states, *“there were sufficient funds expired in that appropriate fiscal year from which the invoices could have been paid.”* The LCC clerk clarified to PERD, *“The Office of Technology had budgeted funds so that they could have paid the bill during the fiscal year that the invoice/debt arose. However, for one reason or another, the bill went unpaid and the vendor filed a claim in our office to seek payment.”* The clerk additionally explained another common reason for LCC filings: *“Vendors file claims with the LCC for invoices that do not fall under the regular maintenance contract. We see this mostly where the contract was cancelled or not renewed and the vendor just continued to provide the service. Sometimes, it’s an automatic cancellation and the vendor is not properly notified.”*

Table 2 below displays a detailed list of the various vendors and the number of claims each had against the OT throughout calendar year 2021, with the total award amounts recommended by the LCC in the final opinion of the claims. These amounts were ultimately paid to the vendors by the OT when they should not have been since they were included in the claims bill. As the table shows, some vendors had multiple invoices totaling several thousand dollars.

Table 2 Vendors that Filed LCC Claims Against the OT in 2021				
Vendor Name	Address on Invoices	Description of Services	Number of Claims	Total Amount Awarded
City of Charleston	Charleston, WV	Unpaid validated parking tickets	1	\$130
DMT Solutions Global Corp.	Danbury, CT	Assemble and transport equipment	1	\$8,000
Mahantech Corp.	Charleston, WV	IT contractor services	2	\$25,032
Pomeroy Technologies	Hebron, KY	Technology hardware, software, and licensing	4	\$254,115
Ricoh USA, Inc.	Exton, PA	Hardware maintenance and replacement parts	18	\$124,711
SHI International Corp.	Somerset, NJ	Cloud computing services and licensing contracts	2	\$15,787
State Electric Supply Company	Charlotte, NC	Technology equipment	1	\$4,318
West Virginia Network	Morgantown, WV	Internet access	2	\$47,620
Total			31	\$479,713
<i>Sources: LCC records; introduced version of SB 571; OASIS attachments with payment transactions.</i>				

Out of the 31 claims filed against the OT by 8 different vendors, the agency stated to PERD that the main reasons why the invoices were not paid during the normal course of business were due to purchase order issues, incorrect invoice balances, and work completed during different fiscal years. According to the OT, Ricoh USA, Inc., which filed 18 claims totaling over \$124,000, had to utilize the LCC process *“because there was no purchase order issued for these particular services, and the State Auditor will not process an invoice for payment without a corresponding authorization document, in this case, a purchase order.”* The OT’s general counsel stated to PERD in September 2022, *“This practice has been corrected by WVOT and no Ricoh invoices have been rejected by the Auditor’s Office since.”*

Furthermore, a claim filed against the OT by Ricoh in 2022 resulted in an opinion issued by the LCC in May that recommended an award totaling \$2,558 for unpaid invoices from a different fiscal year. Therefore, Ricoh still had to utilize the LCC during calendar year 2022 and will be included in the Legislature’s 2023 claims bill. PERD conducted a search of the OT’s OASIS records and determined that the agency has not paid this claim given that it will be included in next year’s claim bill. This indicates that the OT currently follows the correct order of the LCC process.

The OT also explained to PERD that Pomeroy Technologies, LLC, which filed four claims against the agency totaling over \$254,000, had *“issued invoices without accurate balances for services rendered a number of times which were not paid by WVOT, and once a correct invoice was issued, the funds for the fiscal year in which the service was provided had expired.”* Finally,

the OT contends, *“All of the other claims were filed because the WVOT received the invoice after fiscal year funds had expired. A number of the claims filed recently for next session’s claims bill will fall into this category--invoice issued too late by the vendor.”*

PERD confirmed these stated reasons behind some of the claims in question; however, three claims involved services rendered during the same fiscal year in which the vendor pursued payment. According to documentation for a \$12,000 claim filed by Mahantech Corp., the vendor was seeking payment for invoices dated March and May of 2019 (before the end of the fiscal year) that had remained unpaid by the OT as of August 2019. The reason for nonpayment on the claim form specifies that the OT’s accounting manager *“had no record of receiving the invoices,”* and therefore, the agency was unaware that the invoice existed. Resultingly, the agency indicated to the vendor that *“a claim would need to be filed through the Claims Commission in order to receive payment.”* The vendor eventually received payment in March 2021 – two years after the rendered services had been invoiced.

In a similar instance, State Electric Supply Company filed a claim with the LCC for unpaid invoices dated between May 2020 and June 8, 2020 – all before the end of the fiscal year. However, the claim form states that the invoices were not paid before the end of fiscal year 2020, causing the vendor to pursue payment via the LCC. Because the OT did not pay the invoices on time, the vendor did not receive due payment until April 2021, nearly a year later.

Finally, a claim for \$28,950 filed against the OT by West Virginia Network exemplifies another instance where the agency did not seemingly realize it owed money to a vendor. The LCC claim form states that the vendor regularly invoices the agency each month for continued services, suggesting that the OT should have been aware of this regular expense. The claim form explains:

WVNET invoiced OT back on June 23, 2021 for services rendered in June 2021. As of August 2, we hadn’t received payment so we sent OT an email requesting a payment status update. They responded by saying that since we didn’t notify them prior to July 31, we needed to go through the Claims Commission as funds for payment of these services expired July 31, 2021.

In any scenario, agencies should make every effort to pay vendors in a timely manner, with the LCC process being utilized for extenuating circumstances. Because of the multi-step nature of the LCC process, and the fact that final approval for claims payments must be granted by the Legislature, some vendors will not receive due payment for up to a year or more after the services were rendered. Forcing vendors to utilize the LCC can be a time consuming and frustrating experience for the claimants, and it negatively impacts the working relationship between the State and the business community. **Therefore, the legislative auditor concludes that the OT should make every effort to pay vendors in a timely manner.**

Confusion Regarding Proper Policy May Have Caused the OT to Pay Vendors After Claims Were Included in the Claims Bill

According to the OT, it incorrectly paid the 31 claims after they were placed in the claims bill because of an ill-advised policy conveyed to the agency by the previous LCC clerk, who retired in 2017. The OT's general counsel explained to PERD that the previous clerk *"told our previous Chief Financial Officer that because WVOT is 100% special revenue, it could pay the claims after dispensation by the LCC if it had cash on hand to pay them."* The OT's chief information officer also told PERD that the previous clerk led the agency to believe *"that claims that would be paid with special revenue funds could be paid once the Claims Commission provided a Final order dispensing with the claim. Each of the claims paid in the previous fiscal year were admitted to by the WVOT before the Claims Commission, and submitted for payment to the State Auditor's Office with the Final Order of the Claims Commission attached."*

Throughout 2021, the OT would proactively seek internal stamp of approval for payment of a claim within a week of an issued opinion by the LCC. The total would be based on the award recommended by the clerk, and that amount would be submitted to the State Auditor's Office and paid to the vendor – months before introduction of the claims bill. The OT could not locate corroborating evidence to document this claim concerning the previous LCC clerk.

For the 2020 claims bill, the OT had a scenario comparable to the 2022 claims bill wherein two claims totaling \$11,636 were included in the original version of the bill before being removed for the final version due to the claims having already been paid. A similar example also occurred in 2016 when the Division of Corrections paid Norment Security Group over \$308,000 after the vendor had filed a claim against the agency through the LCC. Although this claim was already paid by the start of the 2017 legislative session, it was still included in the 2017 claims bill, which was subsequently passed by the Legislature and thus ran the risk of Norment being paid twice for a claim totaling more than \$300,000.

In written testimony to PERD, the agency's chief information officer asserted, *"WVOT follows the statutory requirements for claims filed with the Legislative Claims Commission."* Despite the alleged misguidance from the previous LCC clerk, the special appropriations section under W.Va. State Code §14-2-20 does not indicate that claims to be paid with special revenue may be disbursed before the Legislature passes the claims bill.

The current LCC clerk elaborated to PERD that:

We had this same issue arise with the Department of Corrections with some of their claims shortly after I started in November, 2017. The Department asked our office for a special order to authorize an immediate payment. At that time, we looked everywhere for such any payment policy that differed from the statute; no such policy was ever found.

The OT's Claim Regarding an Absence of Oversight On the Part of the AG's Office Is Unfounded

The OT also asserted that guidance it had purportedly received from the previous deputy AG, who represented the agency during the LCC process, was another factor that led to the paid

claims ending up in the 2022 claims bill. When the OT was pursuing the removal of the claims from the introduced version of the bill in February 2022, the agency's general counsel explained to the LCC: *"Typically, [the deputy attorney general] would reach out to us throughout the year to verify the claims and payment, and almost all claims would be dismissed by accord and satisfaction in the past. But I'm told she left the AG's office, so these may have fallen through the cracks."* West Virginia State Code §14-2-11 stipulates *"the Attorney General shall represent the interests of the State in all claims coming before the commission."* However, this section of Code is broad, and provides no specific requirements for the AG to participate in other parts of the LCC process.

The current deputy AG verified with PERD in August 2022 that *"the Attorney General's Office does not maintain policies and procedures regarding the LCC process"* outside of what is written in Chapter 14 of the State Code. He provided a general summary of the AG's role in the process:

It may be helpful to explain the involvement that I have had with LCC claims filed against OOT: The LCC staff sends a claim against OOT to me; I forward the claim to OOT for them to confirm or deny that they owe the invoice at issue in the claim; once OOT researches and confirms that the invoice is owed, I file an Answer in the LCC on OOT's behalf admitting the claim; and, last, when the LCC issues a decision recommending an award in the amount of the claim, I forward that to OOT. I have no involvement with the claim after that.

The deputy AG also contradicted the OT's statement regarding its past relationship with the AG during the LCC process: *"I have never 'verified payment of claims' by OOT."* The current deputy AG also contacted the previous deputy AG who dealt directly with the OT claims in question and conveyed that *"she advised me that she did not 'verify payment of claims' either. To reiterate, neither of us have verified that claims were paid; we file Answers admitting that claims are valid and owed."*

Establishing More Controls at the LCC and the SAO Would Avert Double Payments to Entities in the Future

Although additional measures can be taken to prevent further mishaps regarding agencies and the LCC process, the OT and the LCC have implemented certain correctional efforts to avoid a repeat of past mistakes. The OT's chief information officer assured PERD that despite some claims having been filed against the OT since the end of the 2022 legislative session, *"WVOT has not paid or attempted to pay any of the claims after being notified by the current clerk of the LCC that the claims should not be paid until the bill was passed by the Legislature."* The LCC has also amended the written language in the standardized opinions issued by the LCC to specify: *"Accordingly, the Legislative Claims Commission hereby recommends to the West Virginia Legislature that this claim be included in the 2023 Claims Bill."* No mention of the claims bill was previously included in the LCC's final opinion statements.

Despite evidence of improvement specific to the OT and the current LCC, other steps can be taken to prevent future mistakes in the claims process. The OT did not inform the LCC that it had paid claims throughout 2021, and this lack of communication became the main reason for the 31 claims being included in the introduced version of the 2022 claims bill. **Therefore, the legislative auditor recommends that the LCC clerk should consider verifying that claims have not been paid by the respondent agency before they are placed in the claims bill.**

Table 3 below illustrates the LCC case load based on the number of claims and award amounts in the enrolled versions of claims bills between 2017 and 2022. While the number of total claims vary, an average of 10 different agencies have been included in the most recent bills. (Several claims during any given year are a result of individuals seeking damages against the Division of Highways after striking potholes on state roads.)

Table 3 Claims Bill History All Agencies 2017 – 2022			
Legislative Session	Number of Different Agencies with Claims	Number of Total Claims	Total for Regular Claims Bill
2022	8	336	\$514,159
2021	11	476	*\$5,000,311
2020	8	1,034	\$2,525,935
2019	14	862	\$3,216,529
2018	12	381	\$1,976,753
2017	9	751	\$1,911,833
<i>Source: PERD analysis of LCC bills and LCC Annual Report.</i> <i>*High total is the result of consolidation of agencies and creation of the Division of Corrections and Rehabilitation.</i>			

Although requesting confirmation from agencies regarding the pay status of active claims would increase the workload of the LCC clerk, the extra time and resources would ultimately be worth the effort considering this would prevent erroneous claims from entering the introduced version of the claims bill in the future. The implementation of this method at the end of each calendar year would significantly decrease the risk of any claims being paid twice.

Moreover, controls implemented at the payment stage of the LCC process can also prevent future errors on the part of agencies. In examples where an LCC claim is paid by the respondent agency after the passing of the claims bill, and at the proper time when funds become available in the next fiscal year, agencies will attach the final version of the corresponding claims bill with the documentation that is submitted to the SAO for payment disbursal. When the OT successfully, yet incorrectly, paid vendors for LCC claims throughout 2021, a final order of the LCC's recommendation regarding the award for the claim was attached, submitted for payment, and

permitted for disbursement by the SAO without issue. Essentially, payments were made for claims despite a lack of evidence that the Legislature had granted permission for these claims to be paid.

Therefore, to prevent future attempts by agencies to pay LCC claims erroneously, the legislative auditor recommends that Code of State Rules §155-1-3 be amended to include a specific entry describing the protocol for processing requests to pay LCC claims. This “*General Invoice Requirements*” section of the State Auditor’s regulations for issuing payments currently includes the stipulation that all invoices submitted to the SAO for payment shall include “*any additional information, documentation, or explanation requested or required by the Auditor.*” However, given the specific nature of the LCC process and historical errors made by agencies regarding order of operations, attempting to pay vendors prior to the claims bill being passed could be prevented by having the SAO require agencies include a copy of the finalized version of the claims bill that reflects the corresponding line item for the specific claimant the agency is attempting to pay when a submission for payment is made to the SAO. Such requirement would add a valuable control to a crucial step in the LCC process, and act as a stronghold against a vendor being paid too early by an agency. By adding this requirement, the SAO would be inclined to reject payments for LCC claims submitted by agencies without proof that the Legislature has formally made a moral obligation of the State to pay the claim.

Conclusion

According to the OT, misdirection from the previous LCC clerk led to a misunderstanding of the LCC process which it states caused the agency to pay 31 claims, totaling nearly \$480,000, before the Legislature had established a moral obligation finding and passed the claims bill. PERD was not provided corroborating documentation to substantiate the OT’s assertion. Additionally, because the agency did not communicate its actions to the LCC before the introduction of the 2022 claims bill, the claims risked being paid twice, and extra strain was put on the legislative process. The agency further asserted that a lack of oversight from the AG contributed to the erroneous claims being included in the bill, although State Code does not require that level of management from the AG with respect to the LCC process. Evidence suggests that the OT now has a better understanding of the order of LCC operations and has not attempted to pay any claims after they are included in the claims bill during 2022.

Repeat mistakes made by agencies involved with the LCC process can be prevented in the future by implementing controls at the stages prior to the drafting of the claims bill, and when agencies seek payment disbursements from the SAO. The current LCC clerk has made efforts to communicate correct processes to agencies when errors are discovered, but the recommendations for added controls can benefit the general process for any future scenarios where potential lapses in the system may arise. Finally, the OT could have paid invoices in a timely manner, as evidenced by some of the 2021 claims. Every state agency should timely pay vendors when possible. Avoiding scenarios that force a vendor to utilize the LCC process is beneficial to all parties, as the process can be time consuming and negatively impact the working relationship between vendors and the State.

On December 2, 2022, PERD received a written response to the report from the clerk of the LCC expressing agreement with the first and third report recommendations. The clerk indicated

that the second recommendation may place an undue burden on LCC staff under certain circumstances, but also stated that the extra time involved to verify non-payment of any unpaid claims is a prudent exercise to prevent repeat mistakes in the process.

Recommendations

- 1. The OT should make every effort to pay vendors in a timely manner.*
- 2. The LCC clerk should consider verifying that claims have not been paid by the respondent agency before they are placed in the claims bill.*
- 3. To prevent future attempts by agencies to pay LCC claims erroneously, Code of State Rules, Title 155, Series 01, Section 3, should be amended to include a specific entry describing the protocol for processing requests to pay LCC claims.*

Sincerely,

John Sylvia

John Sylvia



West Virginia Legislative Claims Commission

Presiding Commissioner
J. Rudy Martin
Commissioners
Andrew B. Cooke
John H. Shott

1900 Kanawha Blvd., E., Rm. W-334
Charleston, West Virginia 25305-0610
Telephone (304) 347-4851
Facsimile (304) 347-4915

Janet N. Kawash
Clerk

December 2, 2022

John Sylvia
Performance Evaluation and Research Division
1900 Kanawha Boulevard, East
Building 1, Room 314-W
Charleston, WV. 25305

Re: Response to Report of Legislative Claims
Commission and Office of Technology

Dear Mr. Sylvia:

Thank you for the opportunity to review and respond to the draft report of the Performance Evaluation and Research Division concerning the issues with claims filed against the Office of Technology at the time the annual claims bill was introduced in the Legislature during the 2022 Session.

The Legislative Claims Commission has had the opportunity to review the report and the recommendations contained therein. The Claims Commission's responses to these recommendations are listed below.

Recommendation #1: The Office of Technology should make every effort to pay vendors in a timely manner.

The Legislative Claims Commission agrees with the recommendation that all agencies, including the Office of Technology, should make every effort possible to pay their vendors in a timely manner with each agency working together with its vendors to resolve defects in invoices or purchase orders so as to reduce the need for vendors to file claims for unpaid invoices with the Legislative Claims Commission.

Recommendation #2: The Legislative Claims Commission Clerk should consider verifying that claims have not been paid by the Respondent agency before they are placed in the claims bill.

This recommendation may place an undue burden on the Office and Staff of the Legislative Claims Commission at a time when the LCC is working on statutory deadlines to complete the Opinions and decisions for claims to be included in the Claims Commission. However, the LCC believes that the extra time involved to verify non-payment of any unpaid invoices claims is a prudent exercise; otherwise, the same situation that gave rise to this report will continue to be a possibility. Amending large portions of the claims bill after it has been introduced, such as was done during the 2022 Legislative Session, creates undue stress on all involved parties, particularly the Finance Committees, their attorneys and staff, and further risks the accidental deletion of other claims that should remain in the claims bill.

Recommendation #3: To prevent future attempts by agencies to pay Legislative Claims Commission claims erroneously, Code of State Rules, Title 155, Series 01, Section 3, should be amended to include a specific entry describing the protocol for processing requests to pay LCC claims.

The Legislative Claims Commission agrees with this recommendation. Having the claim payment process included in this section will be of benefit to those agencies with claims pending before the Legislative Claims Commission and will serve as an additional educational tool regarding the claims process.

Please be advised that I will be at the interim meeting where this report is presented in the event that there are any additional questions concerning the Legislative Claims Commission and the claims process. Please call me at the number listed above if you have any additional questions.

Very truly yours,



Janet N. Kawash

JNK:mme



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF TECHNOLOGY

State Capitol
Charleston, West Virginia 25305

Mark D. Scott
Cabinet Secretary

Joshua D. Spence
Chief Information
Officer

December 8, 2022

VIA EMAIL

Mr. John Sylvia, Director
West Virginia Legislature
Performance Evaluation and Research Division
1900 Kanawha Blvd., East
Charleston, West Virginia 25305-0470

Re: LCC Letter Report 12-22

Mr. Sylvia:

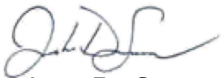
This letter serves as a response by the agency to the LCC Letter Report related to payment by the West Virginia Office of Technology (WVOT) of claims filed with the Legislative Claims Commission.

1. WVOT makes every effort to pay its vendors in a timely manner. The State Auditor's Office requires proper invoices and supporting documentation to process payments. When vendors do not provide an invoice, supporting documentation at all or incorrect information in the supporting documentation, WVOT cannot submit a request for payment. Further, requests for payment with matching supporting documentation must be submitted before current fiscal year spending authority expires without exception. Payment cannot be requested from previous fiscal years, as spending authority has expired, despite the WVOT having adequate cash to pay the vendor. In several claims, WVOT did not receive an invoice or notification of non-payment prior to the end of the fiscal year. When WVOT is made aware of missing payments, vendors are advised to file a claim with the Legislative Claims Commission to receive payment. As stated in previous responses, several of the claims resulted from work completed without a proper PO. In these cases, WVOT made the decision to have work completed on printer equipment. This decision was made in the interest of continuity of state business. Many agencies have mandated print communications that must be sent on a regular basis. Failure to comply with these mandates could result in fines or penalties to the state.

2. Since WVOT was notified by the LCC that it must not pay claims dispensed by order of the LCC until the Legislature passes the annual claims bill, WVOT **has not** paid any claims filed by vendors, despite admitting by answer that the claim was valid and having cash available to pay the claims. The WVOT will continue to wait for the claims bill's passage to pay the claims in the future.

3. WVOT would welcome any effort to streamline the LCC process for those claims that are admitted by an agency funded exclusively by special revenue, and is willing to work with the Legislature and the LCC to effectuate any changes to the process.

Sincerely,

A handwritten signature in blue ink, appearing to read "J.D. Spence", is positioned above the printed name.

Joshua D. Spence
Chief Information Officer
WV Office of Technology