

OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



FOLLOW-UP OF VEHICLE SURPLUS AND DONATION

2014-0020

FOLLOW-UP REVIEW
ISSUED 6/5/2017



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

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June 5, 2017

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Audit# 2014-0020 Follow-Up Audit of Vehicle Surplus and Donations, dated 07/21/2015

Honorable Parish President and Honorable Council Members,

The Jefferson Parish Office of Inspector General (JPOIG) conducted a **follow-up review** of the **Audit of Vehicle Surplus Donations** (2014-0020), dated 07/21/2015. Follow-up reports monitor the implementation of recommendations previously made. The review demonstrates that the recommendations remain unresolved and the underlying activity still persists. Resolution of the issues fall primarily with the Parish Council and requires coordination with the Parish Administration.

The audit follow-up process does not require a written response, nor do we include any external commentary as each finding has already been addressed through the Parish's initial response to the original report. In the interest of facilitating positive change, we will make arrangements to meet with any recipient who may wish to discuss the report or a corrective action plan.

I appreciate the sincere and earnest efforts by the staff of the Surplus Department and others in the Administration who worked with us during this effort. On 06/19/2017 the report will be published and made available to the public.

Respectfully,

David McClintock



OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH

DAVID N. McCLINTOCK
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Date of Report: 06/05/2017	FOLLOW-UP REVIEW	Case #2014-0020
Period of Review: 2015, 2016, 2017	Report By: Sierra Franklin, Auditor	Status: Complete
<u>Subject of Review</u>		
<ul style="list-style-type: none"> • Surplus Vehicle Donations • Surplus Property Policy 		

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objective of the follow-up review is to determine if the Parish and its departments have implemented the recommendations, or alternatives thereto, provided in the Jefferson Parish Office of the Inspector General (JPOIG) audit report #2014-0020 dated 7/8/2015. This report will also evaluate the efficiency and effectiveness of any implementation reform efforts and assess actions taken by the Parish since issuance of the original report.

Scope and Methodology

To accomplish our objectives, we interviewed staff and management in Fleet Management, General Services, and the Surplus Property Yard. Documentation was related to Parish vehicles transferred, donated, auctioned, or listed for auction during the period 1/01/2015 through 4/29/2017 was also reviewed.

Source documents and data reviewed include, but are not limited to, the following:

- Surplus property database from 1/01/2015 – 04/29/2017;
- Surplus property auction book from auction year 2016;
- Transfer Vouchers from 1/01/2015 – 04/29/2017;
- Acts of Donations from 1/01/2015 – 04/29/2017;
- Relevant correspondence (memos, emails, etc.)
- Parish ordinances governing the sale of movable property, JPCO §2-936 through §2-940;
- Policies and procedures issued by the Parish Administration for the relevant time period, specifically Memorandum XX dated 5/7/2014; and
- Policies and procedures in use by Parish departments during the review period.

The JPOIG performed the following audit procedures to assess the implementation of each recommendation:

- Interviewed employees from the Parish departments of Fleet Management, General Services and Surplus Property Yard for background on the current disposition process,
- Reviewed the records regarding the disposal of Parish owned vehicles,
- Obtained reports depicting the total population of surplused, transferred, and donated assets in fiscal years 2015, 2016 and year to date in fiscal year 2017,
- Identified and tested a sample of fifty-five(55) assets that were surplused, transferred or donated in fiscal year 2016 to determine the following:
 1. If the transaction was processed in accordance with state law, parish policies, and parish operating procedures.
 2. The utilization of the Asset Information Management System (AIMS) database and,
 3. Whether the actual physical location of the property was consistent with the AIMS reported status and location.

Standards

The JPOIG conducted its follow-up in accordance with the Principles and Standards for the Association of Inspectors General (the Green Book) and the Institute of Internal Auditor’s Principles and Standards (the Red Book).

Acronyms & Definitions

Below, you will find a table of acronyms used throughout this report. You will also find a table of descriptive terms and definitions relied upon during the course of conducting this follow-up.

Acronyms

- AIMS - Asset Inventory Management System
- EIS - Electronic Information Systems Department
- FMV - Fair Market Value
- JP - Jefferson Parish (the Parish)
- JPCO - Jefferson Parish Code of Ordinances
- JPOIG - Jefferson Parish Office of Inspector General

Definitions

- Fair Market Value - (FMV) The amount for which an asset would be sold in a voluntary transaction between a knowledgeable buyer and seller, neither of whom is under any obligation to buy or sell.
- Parish Fixed Asset - An asset valued in excess of \$500 that is, or should be, tagged with a fixed asset tag number and has been in service with a Parish department.
- Permanent Disposal - The process of selling or disposing of an existing Parish fixed asset for consideration or value based upon the asset’s fair market value.
- Surplused Asset - The act of transfer of a Parish fixed asset to the Surplus Property Yard in accordance with both law and procedure that is complete upon receipt of the fixed asset by the Surplus Property Yard.

- Transferred Asset - The act of transfer of a Parish fixed asset, in accordance with both law and procedure, to another Parish department.
- Surplus Inventory- The listing of specific fixed assets that have been surplused and are physically located at the Surplus Property Yard.
- Donated Asset - The act of transfer of title of a Parish fixed asset to a separate and distinct eligible entity in accordance with both law and procedure.

INTRODUCTION

This is a follow-up report. The purpose of a follow-up report is to test whether management has taken any action to correct issues identified in an earlier report on the same subject. On 07/21/2015, the JPOIG made public a final report on “Surplus Vehicles Donations,” and “Surplus Property Policy” under JPOIG #2014-0020. A copy of the report can be located at www.jpoig.net under reports.¹ For the reader’s benefit, the JPOIG provides a summary of the original report. Then, this report assesses actions taken since the issuance of the original report against compliance criteria where applicable.

Summary of JPOIG #2014-0020, Surplus Vehicle Donations and Surplus Policy

The original report reviewed Parish vehicle transfers, surpluses and donations for the period 01/01/2012-12/31/2014. The review revealed that the Parish gave away vehicles valued at \$255,424 without proper process. The Parish’s failure to properly assess donations and transfers resulted from discrepancies between and noncompliance with Parish’s ordinances and administrative policy. In some cases, donation of vehicles by the Parish were unsupported by Parish ordinance or administrative policy.

The original report revealed that the Parish Council does not bind itself to comply with Parish Administration Policy Memorandum XX (05/2014) that superimposed additional requirements for donation of surplus vehicles beyond those provided by Parish ordinance.² Without such reconciliation, the Council at times, directs actions that comply with the Code of Ordinances, or that the Code is silent on, but which is counter to the Administration’s policy.



The result is incongruent policy/law and inadequate process that prevents the implementation of efficient, effective and fiscally responsible policy and procedure for the donation, transfer and surplus of assets, including vehicles. For example, there are instances in which the Parish failed to establish the value of the vehicles prior to donating them. There is another instance in which the Parish acquired a vehicle with the intent to declare it surplus and donate it away, without the vehicle ever having been used by the Parish.

¹ http://www.jpoig.net/images/pdf/Public_Synopsis_PDF_Combined.pdf

² Currently, there is no legislative process requiring the Council consider, adopt, reject, or modify Parish Administrative policies.

Parish Actions Taken Since Issuance of the Initial Audit Report

Take-Aways

-  The Parish donated an additional \$186,159 in Parish assets in 2015, 2016 and 2017.
-  That no³ corrective action was taken by either the Parish Council or the Parish Administration to address issues identified in the original report.

The JPOIG audit follow-up process included testing vehicles surplused, donated or transferred in 2015, 2016, and 2017. Follow-up testing determined that, to date, no corrective action has been taken by either the Parish Council or the Parish Administration to address issues identified in the original JPOIG report.

Parish vehicles with a total value of \$186,159 were given away in the three years following the original JPOIG report period without:

- a full and proper consideration of the vehicles by other Parish departments,
- without proper aging of the vehicles in the Surplus warehouse inventory, and
- without the receipt of reasonable compensation as required by Parish President Policy 05/2014.⁴

Moratorium



While this follow-up review was underway, vehicles continued to be surplused without complying with Parish ordinance or Administrative policy. On 05/03/2017, the Parish Council took action by way of a moratorium on donated vehicles during which time legislation, policies and procedures could be developed to provide for better internal control and accountability. See Attachment A, Resolution #129166.

The JPOIG supports the Parish's efforts in this regard and trusts that through the issuance of this follow up report and re-statement of the original recommendations will further this process improvement initiative.

To date, the JPOIG's recommendations remain unacted upon after two years. The following portion of the report reiterates findings and recommendations and provides additional observations for the Parish should they choose to establish fiscally sound and effective law, policy and process regarding donation of valuable Parish assets.

Follow-Up Testing Summary

Take-Aways

-  55 Items Tested for Compliance with Parish Code and Administrative Policy.
-  All transactions failed to comply with either Code or Administrative Policy.

³ The initial internal report omitted the word "no" in this singular location. The following verbiage made clear that there had not been any meaningful change implemented.

⁴ JPOIG notes that the Parish Council does not acknowledge/comply with Parish President Policy 05/2014.

The JPOIG tested three types of transactions within the Surplus Property activity:

1. Transferred Asset transactions that occurred during the follow-up testing period.
2. Disposed Assets transactions that occurred during the follow-up testing period.
3. Donated Asset transactions that occurred during the follow-up testing period.

A sample of fifty-five (55) transactions were tested for compliance with the JPCO §2-936-940, and with the Administration’s Policy Memorandum XX. Of the total number of transactions tested:

- 15 were transferred assets,
- 28 were disposed assets, and
- 17 were donated assets.

The JPOIG tested all sample transactions against 10 separate compliance attributes identified from the respective processes as follows:

Administration’s Policy Memorandum XX

1. A determination that the asset has no further use to the department and has been held by Surplus for at least 6 months.
2. Asset first offered to other Parish depart.
3. Determination of Fair Market Value
4. Asset marketed to other municipalities.
5. Parish received compensation for the asset.

JPCO § 2-936-940

1. Written recommendation to Surplus by Dept. Director including the asset description, book value, reason for disposal, & copied to applicable parties.
2. Advertised for sale in newspaper.
3. Sold under public bidding procedure.
4. Sold “as, where is”.
5. Costs of sale borne by the purchaser.

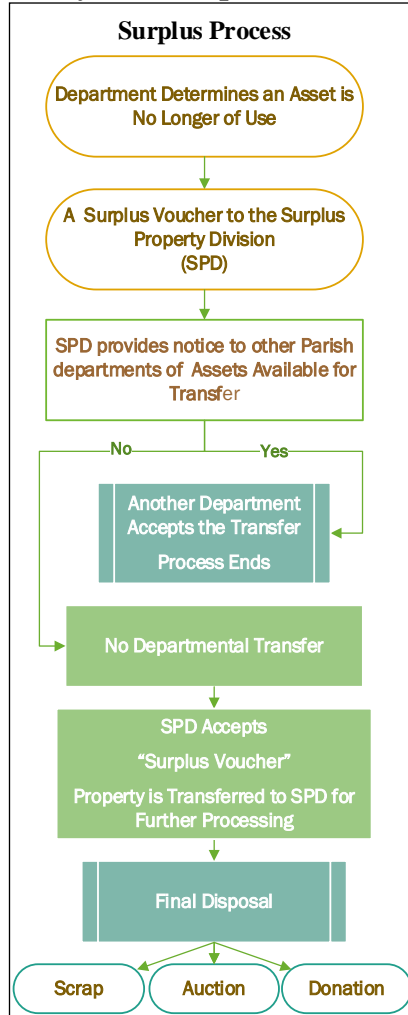
Tables 1-3 below presents the results of our compliance testing. All transactions noted below failed to comply with the requirements of the JPCO § 2-936-940 or the Administration’s Policy Memorandum XX.

Table # 1 Transferred Asset Compliance Summary						Admin Policy	Parish Code
(Items in this class were designated in the Surplus Inventory and later transferred to another Parish Department)							
Item	Asset #	Year	Make	Model	Original Department	Yes/No	Yes/No
29	50	2008	Unknown	Unknown	Alario Center - Administration	No	No
30	4275	2001	Ford	F550	Central Garage Operations	No	No
31	6006	2001	Ford	F350	Cons Drain - Channels	No	No
32	6868	2004	Ford	F2560	Drainage – Westbank Pump Station	No	No
33	5635	2009	Ford	Expedition	First Parish Court	No	No
34	7294	2006	Ford	F250	WB Cons. Sewer District	No	No
35	4535	2004	Unknown	LB75B	Streets - WB Maintenance	No	No
36	4019	2002	Ford	E450	Engineering - Administration	No	No
37	1462	2005	Ford	F250	Emergency Management	No	No
38	2263	2005	Unknown	Gator-TS	Recreation - Maintenance	No	No

Table # 2 Disposed Asset Compliance Summary (All items in this class were sold at auction)						Admin Policy	Parish Code
Item	Asset #	Year	Make	Model	Original Department	Yes/No	Yes/No
1	1601	2008	Chevy	Champion	Citizens Affairs	No	No
2	2545	2001	Ford	E 450	Consol. Playground Dist #1	No	No
3	9442	2008	Ford	F-450	Parkways - EB Maintenance	No	No
4	7	2004	Chevy	Suburban	Marrero Ragusa VFC 3	No	No
5	4280	2005	Ford	F750	Streets - EB Maintenance	No	No
6	6643	2000	Ford	F 750	Drainage Administration	No	No
7	8294	2004	Ford	F750	Water Distribution	No	No
8	5636	2005	Ford	Expedition	First Parish Court	No	No
9	7190	2009	Ford	LCF	WB Cons. Sewer District	No	No
10	8804	2010	Ford	F250	Utility Billing	No	No
11	7700	2007	Ford	5834TMV	WB Cons. Sewer District	No	No
12	8040	2008	Dodge	RAM2500	Utility Billing	No	No
13	8064	2002	Ford	Heavy Duty 450	Water Distribution	No	No
14	8293	2004	Ford	F450	Water Distribution	No	No
15	4191	1998	International	4700	Streets - WB Maintenance	No	No
16	5702	2011	Ford	Explorer	Second Parish	No	No
17	1603	2010	Ford	Bus	Senior Citizen Centers	No	No
18	3091	2009	Dodge	Caravan	Human Services Authority	No	No
19	7829	2009	Ford	F550	WB Cons. Sewer District	No	No
20	1086	2008	Ford	Ranger	EB Cons Fire - Administration	No	No
21	1089	2008	Ford	Ranger	EB Cons Fire - Administration	No	No
22	1600	2008	Chevy	C4500	Senior Citizen Centers	No	No
23	5012	2008	Ford	Expedition	Parish Council	No	No
24	8219	2008	Ford	F450	Grand Isle	No	No
25	9705	2007	Ford	F450	Parkways - WB Maintenance	No	No
26	2016	2006	Ford	E250-VAN	Library - Administration	No	No
27	1087	2008	Ford	Ranger	EB Cons Fire - Administration	No	No
28	1088	2008	Ford	Ranger	EB Cons Fire - Administration	No	No

Table # 3 Donated Asset Compliance Summary (Items in this class were listed on the Surplus Inventory and were later donated to entities outside of the Parish)						Admin Policy	Parish Code
Item	Asset #	Year	Make	Model	Original Department	Yes/No	Yes/No
39	1062	2009	Ford	2009 Ford Expedition	Fire Protection District No. 7	No	No
40	1604	2009	Ford	F-550 Transit Bus	Citizen Affairs/Senior Services	No	No
41	4018	2007	Ford	F-350	Engineering-Admin	No	No
42	4152	2007	Ford	Ford Explorer	Streets	No	No
43	4167	2007	Unknown	Case 550 Dozer	EB Streets Admin.	No	No
44	7572	2001		Isuzu Tr./ water tank	Motor Pool - Sewage	No	No
45	7667	2001	Ford	F-550	East Bank Sewage	No	No
46	7732	2009	Ford	F-550	Sewage	No	No
47	8037	2007	Ford	E-450 Utility Crew Van	East Bank Water	No	No
48	8385	2005	Ford	F-750	East Bank Water	No	No
49	5778	2007	FORD	SENATOR II	Senior Services - General	No	No
50	8509	2002	Unknown	20DT	Water Distribution	No	No
51	9219	2001	SkyWorker	4700-4X2	Parkways - WB Maintenance	No	No
52	5020	2008	Ford	Crown Victoria	Parish President	No	No
53	1174	2008	Ford	Ranger	EB Cons Fire - Administration	No	No
54	2699	2008	GATOR	2008 John Deere Gator TS 4x2	Recreations - Maintenance	No	No
55	5553	2003	GENIE	Genie Man Lift	General Services	No	No

Analysis of Surplus Elements



The adjoining flowchart provides depicts how the Parish could address all the required elements of the surplus process. The proposed system places responsibility with the department holding the asset to initiate the surplus process. After the process is initiated, then it would be centralized and managed by the Surplus Property Division (SPD).

All possible surplus vehicles would be advertised/noticed to Parish departments under a set schedule. Vehicles that are retained by the Parish would be transferred to the Parish department in need. Vehicles that are unwanted by any Parish department would be transferred to surplus inventory for disposition. These items will either be auctioned, donated or scrapped.

The JPOIG has recommended a specific process that could address current weaknesses if properly supported by ordinance and policy. The recommended process incorporates three elements of an effective surplus process:

1. Transfers The movement of property no longer needed by one parish to another parish department.
2. Disposal The process of permanently transferring property in the position of the Surplus Property Division through auction, donation or scrap.
3. Donation The process of disposing of property in the position of the Surplus Property Division through a valid act of donation in accordance with law.

TRANSFERS

This intra- government movement of property ensures that Parish departments are given the opportunity to acquire vehicles that are no longer in use or needed by the department who originally made the acquisition. Providing for the transfer of property may negate the need to purchase new and costly vehicles by another Parish department. Supporting the retention and continued use of valuable property by the Parish should be a priority of the surplus program.

The current process does not effectively address the transfer of property between Parish departments and represents a lost opportunity for cost savings. Asset transfers require both the policy and procedures that include accountability, inventory tracking, and documentation of the approvals and transaction. An efficient and effective transfer process should include the following:

1. The originating department initiates the surplus process by designating an a qualifying asset for surplus, this is an item that:
 - a. Has not been in use by the Department for a minimum of six (6) months

- b. Is valued at more than \$500 or that is desirable within Parish government (i.e. office furniture).
 - c. Has, or should have, an asset tag.
2. Notification to the Surplus Property Division through the existing “Surplus Voucher” system that should include:
 - a. Specific written requirements for documenting this transfer, including the reason for the disposal, the asset description, the asset tag number, the condition of the asset, and an approval by the Department Head.
 3. The SPD utilizes the Surplus Voucher data to initiate an intra-governmental notice provided to all department heads at least three times on a bi-weekly schedule. During this period the asset remains with the originating department.
 4. Assets purchased with millage funds shall be noticed in the advertisement.
 - a. Items purchased with dedicated revenue should be valued and handled pursuant to law and with guidance from the Parish Attorney Office.
 5. Upon request of another department, the advertised asset is transferred. In cases of multiple requests’ the recipient will be determined by the Administration.
 6. If there are no requests for transfer the Surplus Voucher will be “accepted” by the SPD.
 - a. The SPD takes custody if the asset and places it into surplus inventory.

DISPOSAL

The Louisiana Constitution prohibits the donation of government assets in all but a few excepted cases and when properly supported. Thus, the goal of surplus should be to obtain Fair Market Value (FMV) whenever feasible.

Assets transferred to surplus inventory will eventually be subject to disposal. The disposal process should begin with acceptance of the Surplus Voucher and transfer of the asset from the originating department to SPD inventory. This occurs only after an unsuccessful transfer process. An efficient and effective disposal process should include the following:

1. The Surplus Property Manager determines the fair market value of the asset within 30 days of physical receipt of the asset.
 - a. The FMV valuation of should be updated prior to each auction or within 30 days of a donation.
2. Items in surplus are still eligible for transfer until otherwise disposed of. The surplus inventory should be available for review on the Parish intranet.
3. Periodically, the Surplus Property Manager should arrange for a public auction of the assets currently listed on the warehouse inventory report.
4. A minimum bid amount for each asset set for auction shall be set prior to the public auction date. Minimum bid amounts to be based on a percentage of the most recent FMV valuation and may be reduced for second, third or subsequent auction attempts.
5. Policy should establish requirements for the auction process, advertising, logistics, and the selection of the auctioneer.

6. Policy permitting the Surplus Property Manager to dispose through salvage or scrap value assets not sold after a minimum of three (3) auction attempts.

DONATIONS

Assets should not be donated unless there has been at least one attempt at auctioning the item for sale or in exigent circumstances as addressed below. Donations should be approved after proper application, process, and documentation as suggested below:

1. Any municipality or eligible entity may request the donation of an asset that has been:
 - a. Listed on the surplus inventory for at least 30 days, and
 - b. Has been offered for sale at a minimum of one auction.
2. All requests for donation shall be submitted through the Surplus Property Manager and shall include the following:
 - a. The identity of requesting entity and point of contact.
 - b. A written justification including the intended public benefit and use.
3. All applications should be forwarded to the Director of General services within 5 business days for further processing to include:
 - a. Review by the Parish Attorney's Office.
4. Upon approval for legal sufficiency by the Parish Attorney the application and proposed Act of Donation shall be submitted to the Parish Council for consideration.
5. Upon approval by the Parish Council and appropriate signature by the Council Chair or Vice-Chair the SPD shall be notified to prepare the asset for transfer.
6. The Surplus Property Manager shall complete the documentation to finalize the transfer to the recipient.
7. In the event that the Governor of Louisiana and/or the President of the United States declares a state of emergency for Jefferson Parish or neighboring jurisdiction the Parish Council may expedite the donation of any asset regardless of surplus status for demonstrated public safety needs and pursuant to constitutional restrictions.

FOLLOW-UP ON ORIGINAL FINDINGS

The follow-up results are presented, as were the original findings, with the addition of a "Validation Results" component.

Follow-up Result Categories

The JPOIG uses three (3) categories for status of corrective action:

- **Resolved** - The Department/Parish/Entity has implemented actions that resolve the core findings/concerns noted in the original report.
- **Resolved, in part** - The Department/Parish/Entity has implemented actions in response to the audit, but the actions do not fully address the findings/concerns raised in the original report.
- **Unresolved** – The Department/Parish/Entity has not implemented actions that resolve the finding/concerns noted in the original report. This may result from failure to respond to the finding, rejection of the of the finding, or failure to execute on a commitment to implement recommendations.

- **No Action/Untested** – The Department/Parish/Entity has not implemented corrective actions that resolve the finding/concerns noted in the original report; however, the issue or event noted in the original report has not reoccurred.

Finding #1	The General Services Department has not implemented the surplus property procedures listed in the Parish President’s Surplus Property policy (Policy Memorandum XX, dated 05/7/2014)
JPOIG Recommendation	The Parish President's Office and the Parish Council should coordinate to establish written parish-wide policies and procedures regarding the identification, management, and disposition of surplus vehicles. The policy should detail the responsibility and procedures for fleet, surplus, and user departments.
Parish Response	<p>In its response, the Administration indicated it would continue to endeavor with the Parish Council to establish a cohesive "best-practices" policy regarding the disposition, via both sale and donation, of surplus parish policy. Until such time, the General Services Department will continue its compliance with Policy Memorandum XX, leveraged against Council resolutions that dispose of Parish assets in variance to that policy.</p> <p>Contrary to JPOIG findings, the Parish Department of General Services contended that they had “implemented the surplus property procedures listed in [the Administration’s Policy Memorandum XX] and will continue to abide by that policy.</p> <p>Further, the response indicated that The Parish Council seemingly did not accept the finding on the basis that [the Administration’s Policy Memorandum XX] is not binding on them as the legislative branch of Parish Government.</p>
Validation Results	<p>Unresolved – The Parish has continued to surplus Parish vehicles in a manner that is inconsistent with the Administration’s Policy Memorandum XX. Further, the Parish continues to engage in <u>donations</u> with no relevant Code of Ordinances provision and in opposition to the Administration’s Policy Memorandum XX.</p> <p>The JPOIG reviewed the Parish Code of Ordinances and determined that no action has been taken to address the disparities between the Administration’s Policy and the Parish Code. Therefore, there remains no coordinated parish-wide policy and procedure regarding the identification, management, and disposition of surplus vehicles.</p>
Conclusion	The Parish continues to surplus and donate assets, including vehicles, without proper and coordinated process.

Finding #2	Parish surplus vehicles were transferred to outside entities without proceeding through the General Services' Surplus Property Division in violation of JPCO §2-168(4).
JPOIG Recommendation	The Parish should require the transfer of all Parish surplus assets to proceed through the Surplus Property Division to ensure centralized control and transparency in the disposition of Parish assets.
Parish Response	In its response, the Parish conceded that the utilized process failed to conform to best practices. Additionally, the Parish intended to draft and implement a policy to ensure best practices are followed, "Specifically, Parish protocols will involve an Intergovernmental Agreement ("IGA") ...or a Subrecipient Agreement" between the Parish and the respective municipality. The Parish also intends to continue to ensure that surplus property is "handled in accordance with the guidelines established in Policy Memorandum XX when appropriate, applicable, and available."
Validation Results	<p>No Action/Untested – There has been no ordinance implemented or other action taken by the Council that mandates that management of surplus assets be complete by and through the Surplus Property Division.</p> <p>However, the JPOIG reviewed a sample of seventeen (17) donated assets and determined that the Parish transferred all Parish surplus assets to proceed through the Surplus Property Division. The fact that the assets were first transferred to Surplus Property does not ensure that donated assets met specific criteria, were properly justified in accordance with the provisions of state law, nor does this routing ensure that assets were properly vetted among other Departments within the Parish or other municipalities prior to the act of donation.</p>
Conclusion	<p>No Action/Untested</p> <p>There has been no action by the Council or Administration to develop a coordinated approach addressing the necessary elements of the surplus process.</p>

Finding #3	The Parish’s Code of Ordinances does not recognize the donation of the Parish’s surplus assets.
JPOIG Recommendation	The Parish should include criteria regarding the proper usage of vehicles when donating Parish surplus vehicles. The act of donation should include details specifying: <ol style="list-style-type: none"> 1. the political subdivision receiving the Parish asset; 2. the public safety function for which the asset is being used; and 3. an attestation regarding the parameters of use from the receiving entity.
Parish Response	The Parish disagreed with the JPOIG's recommendation, and concluded, “Acknowledging that the JPOIG's "exposure" concerns pertain to actions of the Parish Council as the legislative authority, the Administration will defer to the Council for further response or discussion.”
Validation Results	Unresolved – The JPOIG reviewed a sample of seventeen (17) donated assets and determined the following: <ol style="list-style-type: none"> 1. The assets did not remain in the Surplus Property for the required six (6) month timeframe. 2. The assets were not advertised or noticed to other Parish departments. 3. Fair Market Values were not obtained prior to act of donation. 4. No requirements for continued use for public safety purposes were obtained from the recipient.
Conclusion	Unresolved- There has been no action by the Council or Administration to develop a coordinated approach addressing the necessary elements of the surplus process.

Finding #4	The Parish Council approved the donation of 20 surplus vehicles to other municipalities without complying with JPCO § 2-936 - 938. The total value of donated vehicles was \$255,424.
JPOIG Recommendation	In the absence of Parish Ordinance permitting donations, the Parish Council should refer municipalities to the department of General Services when it requests the transfer of a surplus vehicle. The department of General Services should proceed with the bidding and sale of the vehicles in accordance with the Parish's Code of Ordinances §2-936-2-938.
Parish Action Plan	The Parish’s response...”defers to the Parish Council for further comment and/or response.”
Validation Results	Unresolved – The JPOIG reviewed a sample of seventeen (17) donated assets. Since the ordinance is silent with respect to the donation of Parish assets, the Parish did not ensure that surplus property was processed in accordance with the existing ordinance and policy.
Conclusion	Unresolved – There has been no action by the Council or Administration to develop a coordinated approach addressing the necessary elements of the surplus process.

Finding #5	The Parish purchased two (2) new transit buses totaling \$160,222 for the purpose of “donating” them to municipalities, Jean Lafitte and Grand Isle. The buses were purchased with millage funding and a Federal Transit Administration grant.
JPOIG Recommendation	The Parish should seek an AG Opinion regarding the legality of the purchase of assets with the intent to surplus and donate to a political subdivision.
Parish Response	“Please refer to the Parish's response to Finding #2, supra. Again, if presented with the same factual scenario in the future, the Parish will utilize an IGA and/or Sub-recipient Agreement where appropriate and applicable.”
Validation Results	Unresolved – The JPOIG determined that the Parish did not seek an AG Opinion regarding the purchase and donation of Parish or federally funded assets.
Conclusion	Unresolved

Finding #6	The Parish distributed Parish vehicles to the towns of Grand Isle and Jean Lafitte prior to adopting a resolution, executing an act of donation, and properly transferring the certificate of title to the respective towns.
JPOIG Recommendation	The Surplus Property division should require each department to fill out a transfer voucher prior to accepting a transfer of surplus vehicles. The transfer voucher should include the Department Director’s signature of approval, the reason for disposition, the condition of the vehicle, and the fair market value of the vehicle. The Surplus Division should not accept the transfer if the aforementioned criteria is not completed.
Parish Action Plan	Please refer to the Parish's response to Finding #2 and Finding #5, supra.
Validation Results	Unresolved –The JPOIG reviewed the resolutions and act of donations applicable to 17 asset donations that occurred between 1/1/2015 and 4/29/2017 and determined that the Parish has not ensured that surplus property has been handled in accordance with the guidelines established in Policy Memorandum XX and/or Parish Ordinance.
Conclusion	Unresolved - There has been no action by the Council or Administration to develop a coordinated approach addressing the necessary elements of the surplus process.

Finding #7	The Parish donated vehicles to several entities without providing criteria regarding (the other municipality's) usage of the vehicles.
JPOIG Recommendation	The Parish should include criteria regarding the proper usage of vehicles when donating Parish surplus vehicles. The act of donation should include details specifying (1) the political subdivision receiving the Parish asset; (2) the public safety function for which the asset is being used; and (3) an attestation regarding the parameters of use from the receiving entity.
Parish Action Plan	The Parish responded that the donations were “not violative of applicable law.” The Parish did agree that, “going forward, in order to avoid further scrutiny, the Parish will require that future contracts.....specify ...public safety use.” The Parish also responded that the Administration will “review and revise Policy Memorandum XX”, and stated, “the Jefferson Parish Administration is poised to work with the Parish Council in the creation of <i>best practices</i> policies regarding the disposition, via sale or donation, of surplus property.”
Validation Results	<p>Unresolved - The JPOIG reviewed the documentation for 17 acts of donation that occurred between 1/1/2015 and 4/29/2017. The JPOIG determined that the documentation for the act of donation did not include details specifying the public safety function for which the asset is to be used and an attestation regarding the parameters of use from the receiving entity for 17 out of 17 donations.</p> <p>The JPOIG did note that in all 17 cases, the Parish resolution did specify that the use of the asset was for public safety.</p>
Conclusion	Unresolved - There has been no action by the Council or Administration to develop a coordinated approach addressing the necessary elements of the surplus process.

Resolution 129166
Moratorium on the
Donation or Transfer
of Fixed Assets



On joint motion of all Councilmembers present, the following resolution was offered:

RESOLUTION NO. 129166

A resolution placing a moratorium on the donation or transfer of any fixed or movable assets owned by the Jefferson Parish Government until such time as the Parish Council adopts legislation governing the donation or transfer of assets.

WHEREAS, the donation of fixed and movable assets to other governments and agencies has led to the loss of thousands of dollars in tax payer dollars dedicated to the departments, districts and special districts of Jefferson Parish; and

WHEREAS, new legislation and policies are necessary to insure that assets that were acquired with funds that were dedicated for specific purposes by the tax payers are being used properly.

NOW, THEREFORE, BE IT RESOLVED, by the Jefferson Parish Council of Jefferson Parish, Louisiana, acting as governing authority of said Parish:

SECTION 1. That a moratorium be and is hereby put in place that prohibits the donation or transfer of any fixed or movable assets owned by the Jefferson Parish Government until such time as the Parish Council adopts legislation governing the donation or transfer of assets.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 7

NAYS: None

ABSENT: None

The resolution was declared to be adopted on this the **3rd day of May, 2017.**

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY



EULA A. LOPEZ
PARISH CLERK

JEFFERSON PARISH COUNCIL

Table #1 : Transferred
Asset Compliance
Detail



Table # 1	Transferred Asset Compliance Summary (Items in this class were designated in the Surplus Inventory and later transferred to another Parish Department)					Policy Memoradom XX						Ordinance						
	Sample #	VehicleNo	Year	Make	Model	Original Department	1	2	3	4	5	Overall	1	2	3	4	5	Overall
31	50	2008	Unknown	Unknown	ALARIO CENTER - Administration	No	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
32	4275	2001	Ford	F550	Central Garage Operations	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
33	6006	2001	Ford	F350	CONS DRAIN - CHANNELS	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
34	6868	2004	Ford	F2560	DRAINAGE - WESTBANK PUMP STATI	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
35	5635	2009	Ford	EXPEDITION	FIRST PARISH COURT	No	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
36	7294	2006	Ford	F250	WB CONSOLIDATED SEWER DISTRICT	No	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
37	4535	2004		LB75B	STREETS - WB Maintenance	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
38	4019	2002	Ford	E450	ENGINEERING - Administration	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
39	1462	2005	Ford	F250	EMERGENCY MANAGEMENT	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No
40	2263	2005		GATOR-TS	RECREATION - Maintenance	Yes	No	No	N/A	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No

Attributes Tested:

Policy Memoradom XX

- 1.) Deem the asset as having no value or use by the Parish, and hold the asset in surplus property warehouse for at least six (6) months
- 2.) Offered first to other departments within the Parish
- 3.) Determine a fair market value for assets
- 4.) Market the asset to other municipalities
- 5.) Receive reasonable compensation in exchange for asset

Ordinance JPCO §2-936 through §2-940

- 1.) Written recommendation to Surplus by Department Director (to include description, book value, reason for disposal, copied to applicable parties)
- 2.) Advertised for sale in published newspaper
- 3.) Sold under public bidding procedure
- 4.) Sold "as, where is"
- 5.) Costs of sale borne by the purchaser

Table #2: Disposed
Asset Compliance
Detail



Table # 2 Disposed Asset Compliance Summary (All items in this class were sold at auction)					Policy Memoradom XX							JPCO Section 2-936-938						
Sample #	VehicleNo	Year	Make	Model	Original Department	1	2	3	4	5	Overall	1	2	3	4	5	Overall	
1	1601	2008	Chevy		CHAMPION		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
2	2545	2001	Ford	E 450	CONSOL PLAYGROUND DIST #1		Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	No
3	9442	2008	Ford	F-450	PARKWAYS - EB Maintenance		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
4	7	2004	Chevy	Suburban	MARRERO RAGUSA VOL-FIRE-CO. 3	Unknown	No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
5	4280	2005	Ford	F750	STREETS - EB Maintenance		Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
6	6643	2000	FORD	F 750	DRAINAGE ADMINISTRATION		Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
7	8294	2004	Ford	F750	Water Distribution		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
8	5636	2005	Ford	EXPEDITION	FIRST PARISH COURT		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
9	7190	2009	Ford	LCF	WB CONSOLIDATED SEWER DISTRICT		Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
10	8804	2010	Ford	F250	Utility Billing		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
11	7700	2007	Ford	5834TMV	WB CONSOLIDATED SEWER DISTRICT		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
12	8040	2008	Dodge	RAM2500	Utility Billing		Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
13	8064	2002	Ford	HEAVYDUTY 450	Water Distribution		Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
14	8293	2004	Ford	F450	Water Distribution		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
15	4191	1998	International	4700	STREETS - WB Maintenance		No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No
16	5702	2011	FORD	EXPLORER	SECOND PARISH COURT		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
17	1603	2010	FORD	BUS	Senior Citizen Centers	Unknown	No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
18	3091	2009	DODGE	CARAVAN	HUMAN SERVICES AUTHORITY		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
19	7829	2009	FORD	F550	WB CONSOLIDATED SEWER DISTRICT		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
20	1086	2008	FORD	RANGER	EB CONSOL FIRE - Administratio		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
21	1089	2008	FORD	RANGER	EB CONSOL FIRE - Administratio		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
22	1600	2008	Chevy	C4500	Senior Citizen Centers	Unknown	No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
23	5012	2008	FORD	EXPEDITION	PARISH COUNCIL		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
24	8219	2008	FORD	F450	Grand Isle		Yes	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
25	9705	2007	FORD	F450	PARKWAYS - WB Maintenance		Yes	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
26	2016	2006	FORD	E250-VAN	LIBRARY - Administration		Yes	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
27	1087	2008	FORD	RANGER	EB CONSOL FIRE - Administratio		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
28	1088	2008	FORD	RANGER	EB CONSOL FIRE - Administratio		No	No	No	No	N/A	No	No	Yes	Yes	Yes	Yes	No
29	2699	2009	GATOR	2008 John Deere Gator TS 4x2	RECREATION - Maintenance		No	No	Yes	No	N/A	No	No	Yes	Yes	Yes	Yes	No
30	5553	2003	GENIE	2003 Genie Man Lift	GENERAL SERVICES		No	No	Yes	No	N/A	No	No	Yes	Yes	Yes	Yes	No

Attributes Tested:

Policy Memoradom XX

- 1.) Deem the asset as having no value or use by the Parish, and hold the asset in surplus property warehouse for at least six (6) months
- 2.) Offered first to other departments within the Parish
- 3.) Determine a fair market value for assets
- 4.) Market the asset to other municipalities
- 5.) Receive reasonable compensation in exchange for asset

Ordinance JPCO §2-936 through §2-940

- 1.) Written recommendation to Surplus by Department Director (to include description, book value, reason for disposal, copied to applicable parties)
- 2.) Advertised for sale in published newspaper
- 3.) Sold under public bidding procedure
- 4.) Sold "as, where is"
- 5.) Costs of sale borne by the purchaser

Table #3: Donated
Asset Compliance
Detail



Table # 3	Donated Asset Compliance Summary (Items in this class were listed on the Surplus Inventory and were later donated to entities outside of the Parish)					Policy Memoradom XX						Ordinance						
	Sample #	VehicleNo	Year	Make	Model	Original Department	1	2	3	4	5	Overall	1	2	3	4	5	Overall
41	1062	2009	Ford	2009 Ford Expedition	Fire Protection District No. 7	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
42	1604	2009	Ford	F-550 Transit Bus	Citizen Affairs/Senior Services	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
43	4018	2007	Ford	F-350	ENGINEERING-ADMIN	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
44	4152	2007	Ford	Ford Explorer	Streets	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
45	4167	2007		Case 550 Dozer	EB STREETS ADMIN.	Yes	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
46	7572	2001		Isuzu truck with water tank	Motor Pool - Sewage	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
47	7667	2001	Ford	F-550	East Bank Sewage	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
48	7732	2009	Ford	F-550	Sewage	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
49	8037	2007	Ford	E-450 Utility Crew Van	East Bank Water	Yes	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
50	8385	2005	Ford	F-750	East Bank Water	Yes	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
51	5778	2007	FORD	SENATOR II	SENIOR SERVICES - GENERAL	Yes	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
52	8509	2002		20DT	Water Distribution	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
53	9219	2001	SKYWORKER	4700-4X2	PARKWAYS - WB Maintenance	Yes	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
54	5020	2008	Ford	Crown Victoria	PARISH PRESIDENT	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No
55	1174	2008	Ford	Ranger	EB CONSOL FIRE - Administratio	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No

Attributes Tested:

Policy Memoradom XX

- 1.) Deem the asset as having no value or use by the Parish, and hold the asset in surplus property warehouse for at least six (6) months
- 2.) Offered first to other departments within the Parish
- 3.) Determine a fair market value for assets
- 4.) Market the asset to other municipalities
- 5.) Receive reasonable compensation in exchange for asset

Ordinance JPCO §2-936 through §2-940

- 1.) Written recommendation to Surplus by Department Director (to include description, book value, reason for disposal, copied to applicable parties)
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- 4.) Sold "as, where is"
- 5.) Costs of sale borne by the purchaser