



JPOIG Overview

Security Services Contracting Follow-Up #2023-0002

October 25, 2023

Background

New Era Information Technologies, LLC (New Era) provided security services to Jefferson Parish (Parish) under two separate contracts. From 02/16/2016 to 12/31/2016, New Era provided security services to the Parish via an amendment to an existing computer services contract. The Parish executed a Security Services Contract (SSC) with New Era to provide security services after an advertised Request for Proposal. New Era provided security services pursuant to the SSC from 12/05/2016 to 12/05/2019. New Era hired Vector Electric and Controls Systems (VEC Solutions) as a subcontractor to fulfill both contract requirements.

On 04/23/2020, the Jefferson Parish Office of Inspector General (JPOIG) published an audit pertaining to these services. The initial audit resulted in eight findings.

Why We Did This Audit

The JPOIG released a follow-up audit to its 2020 Security Services Contracting audit report to determine if the Parish resolved the eight findings. The scope period was 01/01/2021 through 12/01/2022.

Status of Findings

Finding #1 – Partially Resolved
Finding #2 – Not Resolved
Finding #3 – Partially Resolved
Finding #4 – Partially Resolved
Finding #5 – Partially Resolved
Finding #6 – Not Resolved
Finding #7 – Not Resolved
Finding #8 – Resolved

What We Found

Finding #1: The SSC did not establish: (1) limits or criteria for security equipment and materials; (2) labor rates; and (3) invoicing, billing, and payment requirements. **Results:** The Parish Council amended the SSC four times from 12/05/2016 to 05/19/2022. However, the terms and conditions of the SSC continued in substance from the original agreement.

Finding #2: The Parish did not effectively utilize existing controls to ensure that vendors do not exceed established contract sub-cap limits. **Results:** None of the New Era invoices segregated, totaled, or otherwise identified which line-item expense correlated with the respective deliverable. The AS400 Parish Financial Management System did not clearly establish contract sub-cap limits.

Findings #3 & #4: VEC did not provide support for labor or equipment costs to New Era, and the New Era did not request any support for VEC's invoices. **Results:** RFP 0443 requires supporting documentation before the Parish will pay an invoice. However, the Security Department could not locate copies of the paid invoices.

Finding #5: New Era billed the Parish for sales taxes for security equipment and materials purchased by VEC. **Results:** RFP 0443 requires that all contractor invoices shall be exclusive of sales taxes. However, auditors could not verify the invoices excluded sales taxes because the Security Department could not locate copies of the paid invoices.

Finding #6: The Parish Administration approved invoices for equipment and labor costs that exceeded the rates stipulated in the contract. **Results:** Twenty-two New Era invoices contained 139 expenses (totaling \$293,310) that were either more than the contracted amount or were not included in the contract.

Finding #7: New Era was not required to provide evidence of a written agreement with its subcontractors. **Results:** Although the JPCO §2-923(a) required Parish Council approval for any substitutions or additions of subcontractors, it did not require a written agreement between the prime and subcontractor.

Finding #8: The Security Director did not provide comprehensive recommendations on security measures at Parish facilities or oversee and administer the contract between the Parish and the security equipment company. **Results:** The Director of Security established monthly security assessments which allowed for recommendations to be shared between department managers and the Security Division.

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