

Office of the
INSPECTOR GENERAL



REPORT OF INVESTIGATION

File Number: 07-069

Agency: Georgia Building Authority

Basis for Investigation: Agency Request

Allegations: Contract Steering
Misuse of State Resources

Date Opened: September 5, 2007

Investigated By: Elizabeth Archer, Inspector General
Phil Walker, Deputy Inspector General

Date of Report: May 7, 2008

Elizabeth P. Archer, Inspector General

OFFICE OF THE INSPECTOR GENERAL



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EXECUTIVE SUMMARY

In September 2007, former Georgia Building Authority (GBA) Executive Director Gena Abraham requested investigative assistance regarding alleged contract steering by an employee in the Food Services Division. Specifically, the Office of the State Inspector General (OIG) was requested to determine whether Dwayne Robinson, former Director of Food Services for GBA's Cafeteria and Stately Events operations steered a temporary labor contract to Payroll Services Management, Inc. ("PSM") because of his friendship with the Chief Executive Officer (CEO) of the company.

The OIG conducted interviews with former and current GBA employees. OIG also reviewed GBA policies and procedures, telephone records, personnel files, time and attendance records, meeting minutes, financial documents, emails, purchase orders, invoices and contracts.

Our investigation revealed that Robinson failed to disclose his long term friendship with PSM's CEO during the bid process. He also requested a change to the vendor qualifications, which ultimately benefitted PSM. In addition, Robinson selected PSM even though they were not the lowest bidder. A number of other issues were revealed regarding the Cafeteria and Stately Events Banquet operation which required OIG to expand our investigation. These issues included a lack of consistency with contractually agreed upon rates, abuse of authority, conflicts of interest, misuse of time clocks and time cards, and the destruction of official documents.

OIG offers the following recommendations to GBA. We request that GBA provide a written response regarding implementation of these recommendations within 30 days of the issuance of this report.

1. GBA should ensure that contract specialists, end users, and any employees involved in the bid solicitation and selection process are trained in the proper procedures for processing and awarding contracts. Training should include, but is not limited to:

- a. Avoidance of conflict of interest
 - b. Contract documentation and record keeping
 - c. Vendor interaction
 - d. Vendor selection
2. If, during the bid process, there is a request to deviate from the original solicitation document, a written explanation should be made part of the contract file.
3. GBA should ensure that any amendments to the original contract(s) must be in writing and made part of the contract file. Affected parties should be notified immediately of all amendments or addendums.
4. Training should be provided to the end users in order to ensure compliance with contract specifications and proper and effective contract management. Training should include, but is not limited to:
 - a. Ensuring that the costs incurred match the costs agreed to in the original contract, or amendments.
 - b. Reviewing all billings to ensure that they are for work which has been satisfactorily performed.
 - c. Being alert to sudden and unexpected cost growth or over-runs.
5. GBA should consider including in their procurement manual a conflict of interest questionnaire to be used by all employees and vendors involved in the bid selection process. If a conflict of interest is identified, a descriptive statement of how the conflict of interest was resolved should be made part of the permanent contract file.
6. GBA should consider emphasizing the consequences of internal theft of state property by employees.
7. GBA should consider incorporating into their Policy Manual that the “end user”/Project Officer will not have final authority in the issuance of a contract.
8. GBA should consider verifying with the Georgia Department Revenue and the Georgia Department of Labor that prospective vendors are in good standing.
9. GBA should require adherence to state records retention policies.

OIG reserves the right to re-open this matter should GBA fail to take corrective action regarding these findings and aforementioned acts.



Report of Investigation

File No. 07-069

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Summary of Actions
Georgia Building Authority
File Number 07-069

I. Basis for Investigation

In September 2007, former Georgia Building Authority (GBA) Executive Director Gena Abraham requested investigative assistance regarding alleged contract steering by an employee in the Food Services Division. Specifically, The Office of the State Inspector General (OIG) was requested to determine whether Dwayne Robinson, former Director of Food Services for GBA's Cafeteria and Stately Events operations, steered a temporary labor contract to Payroll Services Management, Inc. (PSM) because of his friendship with the Chief Executive Officer (CEO) of the company.

II. Action Taken in Furtherance of Investigation

Interviews were conducted with former and current GBA employees. OIG also reviewed GBA's policies and procedures, contracts, computer files, time sheets, invoices, telephone records, and emails.

III. Background

GBA is a state-funded authority responsible for the management of buildings and facilities located in the Capitol Hill Complex. The Food Services Division is responsible for operating three cafeterias and six banquet/meeting facilities which are rented to the public primarily for weddings and to various state agencies for meetings, seminars and training sessions.

Robinson has been employed with GBA since 1990. From 2003 to April 2007, Robinson was the Director of Food Services, in charge of supervising the Cafeteria and Banquet Divisions. The vendor named in the complaint, Kenneth Henderson, was the CEO of PSM, a temporary labor provider. From August 2004 to April 2007, PSM provided temporary labor to GBA in the Cafeteria and Banquet Divisions

The contract steering allegation against Robinson surfaced in the spring of 2007, after GBA outsourced the Cafeteria and Banquet Operations to Compass Group/Eurest Dining (Eurest), a private corporation. Due to the outsourcing, PSM's services were no longer needed by GBA. However, Eurest hired PSM to assist them during the transition. Several weeks into their arrangement, Eurest officials became concerned with PSM's invoicing practices.¹ Eurest officials were also concerned after Robinson interceded on PSM's behalf during an invoicing dispute.² After reporting their concerns to GBA, Eurest terminated their relationship with PSM.

¹ Greg Williams' transcript pgs. 6-13.

² Greg Williams' transcript pgs. 16-17.

In order to determine whether Robinson steered the contract to PSM, OIG had to ascertain how the contract was originally awarded.

IV. GBA's Request for Quotation Requirements

After receiving numerous complaints regarding the lack of temporary help in the Facilities and Food Service Divisions, GBA issued a Request for Quotation (RFQ) for temporary labor services in June 2004.³ The RFQ was a combined request for both general maintenance and food service labor. Participating vendors could submit bids on either or both sections. According to the terms of the RFQ, GBA maintained the right to award the bid in its entirety to the "lowest, responsible, responsive bidder" based on the base bid amount. However, GBA could split the award based on the bidder providing the lowest total cost in either section.⁴

To avoid the appearance of impropriety, a "no contact" provision was included in the RFQ. The provision stated that vendors were not allowed to communicate with any state employee, other than the Contract Specialist, regarding the RFQ. GBA reserved the right to reject any proposal for violation of this provision.⁵ Because the RFQ was solely rate driven, there was no need for a selection committee. Instead, GBA's Contract Specialist was responsible for selecting the lowest, responsible, responsive bidder.

V. Interview with Contract Specialist

OIG interviewed the Contract Specialist regarding Robinson's participation in the RFQ process. The Contract Specialist recalled that at the time he was asked to prepare the RFQ, Robinson was the Director of Food Services. As a result, he worked with Robinson to draft the requirements for the food service labor portion of the RFQ. In order to ensure that he met Robinson's needs, the Contract Specialist asked Robinson to provide him with a list of **all** temporary positions needed in Food Services. Robinson provided a list of six positions, ranging from wait staff to carvers, but specifically stated that he would provide his own supervisors.⁶

During the RFQ process, the Contract Specialist discovered an invoice showing previous payments to PSM for temporary labor services. When he questioned Robinson about the invoice, Robinson stated he had been using PSM to assist with Banquet Services, but that they were not under contract with GBA. Robinson informed the Contract Specialist that although GBA was soliciting bids, he was "very happy with PSM and had grown accustomed to their services." When asked if he was aware whether Robinson knew PSM's CEO Kenny Henderson personally, the Contract Specialist replied

³ RFQ No. 04-2030-03-13. An RFQ is a formal solicitation method that includes a well-defined specification or scope of work and contains all contractual terms and conditions. The RFQ solicits sealed price quotations or bids from prospective vendors and seeks to obtain price quotes from qualified vendors using the lowest quote as the determining factor for awarding the contract. Source: Georgia Procurement Manual

⁴ The "Lowest" bid will be the bid whose price, after incorporating all accepted alternatives, is the lowest and most responsive bid received.

⁵ Section "A" Invitation to Bid A-04.

⁶ Robinson email dated 5/10/2004.

that Robinson never intimated that he knew Henderson, but that if he did, he would have expected him to disclose that information.

Our investigation revealed that Robinson made no changes to the RFQ before it was posted to the procurement registry. When asked if there were any vendors he wanted to ensure received notification of the RFQ, Robinson requested that the Contract Specialist send notification to PSM.⁷

The day after posting the RFQ, Robinson sent an email to the Contract Specialist requesting deletion of section F-02 (a). Section (a) required a vendor submitting a bid had to be in business under their current business name for at least two years and registered with the Secretary of State's office.⁸ Robinson did not state why he was requesting the deletion. When asked if he documented the contract file regarding Robinson's request, the Contract Specialist admitted that, although he should have, he did not document the file. A review of the contract file confirmed that there was no supporting documentation, other than the email from Robinson regarding the request.

Based on Robinson's request, the Contract Specialist issued an addendum to the RFQ. The addendum stated the following:

In Section F Specifications, Article F-02 paragraph (a) delete "In business under current business name for at least two (2) years" and replace so that the entire paragraph reads, "In the temporary labor provider business for at least two years and registered with the Secretary of State's office to do business in the State of Georgia. **If business has not operated under the current business name for a minimum of two years, provide written statement with explanation, and former business name, if applicable.**"

Shortly after issuing the addendum, the Contract Specialist received PSM's proposal. Although it was his responsibility, the Contract Specialist stated that he did not personally verify with the Secretary of State whether PSM was incorporated as required by the RFQ. When asked if he spoke to Henderson regarding whether he was registered with the Secretary of State, the Contract Specialist stated, "I don't recall having a conversation with him." Secretary of State records reveal that PSM was not incorporated until June 4, 2004, six days before GBA issued the RFQ.

OIG reviewed PSM's bid proposal. Under the Statement of Bidder Qualifications, PSM's CEO stated that PSM had been in business under their current name for ten months. However, OIG found no documentation in the contract file showing that PSM submitted a written statement as required by the addendum, explaining why they had not operated under their current business for a minimum of two years.

⁷ Robinson email dated 6/10/04.

⁸ Robinson email dated 6/11/04 "Under F-02 Minimum Requirements: Please eliminate section "a" which requires a company to have been in business under its current name for at least two years and make it only necessary only to be registered with the Secretary of State's office in the State of Georgia. Thanks"

During the RFQ process, the Contract Specialist created a bid tabulation sheet, which contained all vendor bid proposals, including base bid amounts. Because Robinson was the end user, the Contract Specialist sent a copy of the tabulation sheet to him for his input. After reviewing the bid tabulation sheet, Robinson informed the Contract Specialist that he did not want to get “stuck with an inexperienced firm.” The Contract Specialist maintained that, although Robinson expressed his preference for PSM, he never asked him to choose PSM as the preferred vendor.

The Contract Specialist recalled that there were two vendors who submitted bid proposals lower than PSM’s for the food service labor portion of the RFQ. However, one vendor was disqualified after being unable to provide any references. After completing reference checks on the remaining vendors, the Contract Specialist selected ATS. He sent an email to Robinson advising him that he found no reason to bypass ATS as the lowest responsible, responsive bidder.⁹ He stated, however, “that ball was in [Robinson’s] court” as to how to proceed. Several days later, the Contract Specialist received the bid tabulation sheet back from Robinson indicating that Robinson had selected PSM for the contract. When asked if Robinson was authorized to overrule his decision, the Contract Specialist stated, “No. I don’t know how it happened.” The Contract Specialist stated that to his knowledge no other GBA official had authorized Robinson to award the temporary labor contract to PSM.

The only document provided to OIG indicating why PSM was chosen as the lowest, responsible, responsive bidder was the contract summary sheet. According to the summary sheet, “[PSM] was selected due to the fact that they were the only bidder that provided references for banquet/catering type labor, and they were the third lowest bidder overall.” However, the same summary sheet also stated that “ATS staffing was the lowest, responsive, responsible bidder and their references were sterling.” When asked to explain the contradiction, the Contract Specialist could not recall having written the statement.

During the investigation it became apparent that GBA did not adhere to their own policies and procedures regarding contract award and oversight. As a result, OIG expanded the investigation to examine how the agency managed the terms and conditions of PSM’s contract.

VI. Contract Rate Increases and Overtime

In August 2004, PSM entered into a formal contract (Contract) with GBA per the terms and conditions referenced in the RFQ.¹⁰ The Contract term was for one year, with two (2) one-year options to extend. Although GBA accepted PSM’s total cost for labor hours in the amount of \$254,250 (base bid), records provided to OIG indicated that PSM was paid \$555,194 during the first year of their contract. When questioned about the

⁹ “I have completed reference checks for ATS and can not find a flaw in their service. They did not provide a reference for food services catering type business such as yours but employees they provide have performed exceptionally, based on the references. At this point, I find no reason for you to bypass this company as the lowest responsive, responsible bidder. The ball is now in your court, please advise as to how we will proceed.”

¹⁰ Contract #04-2030-03-13 – Scope of Services.

discrepancy between the base bid amount and the first year payout, GBA's Deputy Director of Legal Services stated that the base bid amount "usually must not be exceeded." However, she added that if the "using manager" had enough money in their "main" budget they could cover the additional costs, but it would require approval from Financial Services. OIG was not provided any supporting documentation regarding whether Robinson requested additional costs approval.

According to the terms of the contract, overtime was not authorized.¹¹ In addition, under the Payment Provision Section of the Contract any and all costs or fees charged by PSM on any invoice had to conform to the rates, specifications and requirements of PSM's cost proposal and the Contract. All hourly rates were to remain fixed for the entire term of the agreement, **unless amended in writing** and signed by duly authorized representatives of the parties. On August 24, 2005, PSM's CEO, Kenny Henderson signed the Contract indicating that he read and understood the terms of the agreement.

In 2005, GBA exercised their first one-year option to extend PSM's contract. The rates, terms and conditions stated in the original agreement remained the same. In 2006, GBA failed to formally extend PSM's contract in 2006. However, PSM continued to provide temporary labor to GBA through April 2007.

In order to determine whether PSM complied with the hourly rate provisions set forth in the Contract, OIG reviewed a sampling of PSM's invoices from August 2004 to April 2007. The invoices reviewed showed that PSM frequently charged more than the Contract's fixed rates, including rates that were near double the highest rate allowed by the Contract (\$12.95). The invoice rates ranged from \$12.95 to \$22.50. OIG also discovered that many of the increased rates were for new positions that were not agreed to in the Contract.¹²

The invoices also revealed that despite the prohibition in the Contract, PSM charged GBA overtime rates. In fact, several invoices showed that PSM charged overtime rates even though their employees had not worked a full 40-hour week. The Contract Specialist stated that as the end user, Robinson was responsible for ensuring that PSM's invoices matched the Contract rates. Robinson was also responsible for signing the invoices indicating approval for subsequent payment to PSM.

When asked if Robinson ever requested approval for increasing PSM's rates or for authorizing overtime, the Contract Specialist stated, "No, [the rates] just started appearing on the invoices." When he questioned Robinson about the higher rates, Robinson informed him that the rate increases were based on employee experience. When asked if Robinson had the authority to change the rates without his approval, the Contract Specialist stated, "[Robinson] could only request a change, but not enact it."

¹¹ "It is responsibility of the Contractor to comply with the Fair Labor Standards Act regarding employees sent to work at GBA as temporary help. GBA **will not work any temporary employee over forty (40) hours**. Should the job require over forty (40) hours the vendor will send another person(s) to complete the task."

¹² Denise Figuerora transcript and email.

Our investigation revealed that although the Contract allowed for rate changes, OIG found no documentation in the Contract file indicating that PSM had requested to renegotiate their rates. Moreover, we found no written amendments allowing rate increases or overtime as required by the Contract.¹³ Over the course of their Contract, GBA paid PSM over \$1.8 million.¹⁴

VII. Interview with Dwayne Robinson

During his interview, Robinson admitted that he and Henderson were long-time, personal friends. When asked if he informed the Contract Specialist of his friendship with Henderson, Robinson stated, “No. He didn’t ask me.” In fact, Robinson admitted that he never informed any GBA official during the RFQ process about his friendship with Henderson. Robinson stated that since he had never been through an RFQ process, he was unaware that he had a duty to disclose this information.

Robinson selected PSM because he believed PSM was “a better business for GBA,” despite the fact that they were not the lowest bidder. He also stated that since they were a small company it would be easier to “control them.” When asked if his friendship with Henderson influenced his selection, Robinson stated, “probably so, but we had a business relationship, too.”

When questioned about the inconsistent hourly employee rates, Robinson replied, “I don’t know much about that, I never really referred back to the [rates].” However, he admitted that many of the increased rates were for floor supervisors, positions not requested in the initial RFQ. Robinson also stated that he was not aware of the prohibition regarding overtime. He stated that his Banquet Manager was responsible for scheduling personnel and any resulting overtime charges. Robinson later admitted that he was the one responsible for signing the invoices, including the invoices which showed overtime rates.

VIII. Interview with PSM Chief Executive Officer Kenny Henderson

Henderson stated that in the spring of 2004, Robinson informed him that GBA was soliciting bids for a temporary labor contract. He admitted that he discussed the RFQ with Robinson prior to submitting his bid. He also stated that he had a conversation with the Contract Specialist, as well as Robinson, regarding the two-year Secretary of State minimum incorporation requirement. The Contract Specialist advised him to write a letter to the file explaining the deficiency. When OIG requested Henderson provide a copy of the letter, he provided an unrelated document that was neither signed nor dated. When we informed Henderson that the Contract file did not contain such a letter, Henderson stated, “I guess he [Contract Specialist] missed out on that one.”

Henderson was aware that he was not the lowest bidder because he had seen the other bidders’ proposals. He justified being chosen because unlike “all those other vendors, he did not farm out the work.” When asked about the increased rates,

¹³ “Rates are guaranteed for up to 200% of the estimated hours shown on the bid proposal. If services are required beyond this, the rate may be negotiated, but will not exceed 110% of the bid rate.”

¹⁴ PSM payment history provided by GBA accounting division.

Henderson stated that the rates fluctuated based on the positions needed at the time. He stated that Robinson frequently requested positions that were outside the original bid proposal, which required new rates. He maintained that prior to submitting his proposal, he informed Robinson that there would be more positions than those listed in the RFQ, but Robinson did not address the issue.

Throughout his interview, Henderson referred to Robinson as his close friend, but admitted that he failed to disclose their friendship to the Contract Specialist during the bid process. "I assumed he knew. It wasn't a secret," he replied when asked why he did not disclose their friendship. He was adamant that his friendship with Robinson in no way contributed to PSM receiving the Contract. However, he stated that PSM was "created for GBA." When asked to explain what he meant by "created," Henderson responded that he wanted to create a company that could provide consistent temporary staffing for one or two state facilities. When asked who he discussed this concept with, he responded that he discussed it with Robinson.

IX. Additional Matters

During our investigation, other matters concerning GBA's Cafeteria and Stately Events Banquet operation surfaced requiring the OIG to expand our investigation. OIG looked into the following concerns: conflicts of interest, misuse of GBA issued telephones, misuse of GBA's time clock and time cards by PSM/GBA Cafeteria and Stately Events Banquet employees and abuse of authority.

A. Conflict of Interests by GBA Employees

Because GBA/Stately Events was unable to supply or serve alcohol at their catered events, clients were responsible for providing their own alcoholic beverages through a licensed and insured bartending service. However, if a client asked for a recommendation regarding a vendor, GBA employees were instructed to provide three recommendations. According to those interviewed, employees were not allowed to recommend any one specific vendor.

Our investigation revealed that GBA's former Banquet Sales Supervisor, Andrea Bryant, on several occasions, recommended only one vendor, V& K Beverages, Inc. Email records reveal that Bryant was also informing V&K Beverages, Inc. of those clients who were in need of beverage services. Records from the Secretary of State show that V& K Beverages, Inc. is owned by PSM CEO Kenny Henderson. OIG found that during the time Bryant was referring clients to V & K Beverages, Inc., her son, sister and niece were on PSM's payroll.

OIG also found that while PSM was contractually obligated to the state, Robinson worked at least two parties for V&K Beverages, Inc. Although Robinson stated that V&K Beverages, Inc. did not pay him directly for the work, they referred him to the jobs. Regardless of Robinson's justification, OIG finds that this created a conflict of interest given that Robinson had input into whether PSM's contract would be extended.

B. Misuse of GBA Issued Telephones

According to GBA's Deputy Director, in order to help ease the transition when Eurest took over, GBA allowed certain Eurest employees, many of whom were former GBA employees, to use state issued cell phones. The phones were to be used solely for business purposes. Andrea Bryant, who worked for Stately Events prior to the transition, was hired by Eurest in April 2007. During the transition, Bryant was allowed to retain her state issued cell phone.

Cell phone records revealed that Bryant was using her cell phone for personal use. Bryant's phone records reveal numerous calls to Robinson after normal business hours and weekends. During her interview, Bryant stated that many of her calls were business related, including her calls to Robinson. However, our investigation revealed that Bryant no longer reported to Robinson or GBA regarding catered events. When confronted with this fact, Bryant admitted that most of her calls to Robinson were personal in nature. Bryant also admitted to calling Henderson on her state cell phone. "I probably shouldn't have, but I called him about personal reasons," she stated. According to Bryant, those personal reasons included checking on her son's PSM work schedule and inquiring about a car that she had purchased from Henderson in May of 2007.

C. Misuse of GBA/PSM Employee Time Clock and Time Cards

During the course of our investigation, we learned that many of GBA's employees were also working for PSM. In order to determine whether there were any overlap and potential double billing issues, we requested PSM's time cards for the period that they were under contract with the state. OIG was informed by GBA's Accounting Division that they were not in possession of the time cards, but that PSM and/or Robinson should have copies of the records. When asked for copies of the time cards, Robinson responded that during the transition, Eurest "told [him] to get rid of everything in [his] office, including the time cards." However, Robinson was able to produce copies of time cards for the month of February 2006.

Upon further inspection, the copies revealed inconsistencies in the manner in which PSM's employees were clocking in and out. For example, some employees would use the time clock to record their time, while others would write in their time. In addition, some employees would clock in, but never clock out. When questioned about the inconsistencies, Robinson stated that although he signed off on the time cards, OIG would have to speak to the former Banquet Manager about the inconsistencies because she was in charge of the employees schedules.

According to the Banquet Manager, because she had both PSM and GBA employees to supervise, she expressed that it was difficult to monitor their time. She admitted that she was aware that many PSM employees were signing in, but were not always present. She also stated that many PSM employees were "riding the clock," in that they would come in earlier than their scheduled time, clock in, leave and then return later for their regularly scheduled work hours. When asked about the handwritten time cards, she stated that on occasion, she would allow the floor supervisors to write in the employees' arrival times if they were running behind.

The Banquet Manager also confirmed that many GBA employees worked for PSM. However, she stated that their shifts with PSM always began after they finished their shifts with GBA. When asked if she kept any copies of the time cards, she stated that she was told by Eurest to throw them “in the garbage,” but that PSM had the originals. When asked for copies of his original time cards, Henderson stated that he had destroyed the records

OIG finds that the destruction of records was in direct conflict with the terms of the Contract. According to the Contract, PSM was required to maintain books, records, documents and other evidence pertaining to the fees paid to them. In addition, PSM was required to make available, at all reasonable times, during the term of the Contract plus an additional three years thereafter, any and all records related to the Contract, for inspection or audit. Because the records were destroyed, OIG was unable to determine whether GBA was double billed by PSM.

D. Abuse of Authority and Misuse of State Resources by Dwayne Robinson

During our preliminary investigation, OIG received allegations that Robinson was abusing his authority by having state employees prepare food, purchased with state funds, for his personal use. According to those interviewed, they were instructed to prepare food for Robinson and leave it in his designated warming tray for pick up.

Robinson admitted that at least one to three times a month he would ask the chefs to prepare food for him to take home. He stated that much of the food was “leftovers” from the catered events. However, he added, on some occasions “If they were doing something special, I would ask them to make me a little bit more of that.” Robinson admitted that he used “bad judgment” in having the chefs prepare food for him, but he was accustomed to doing in the private sector. According to Robinson, he never paid for any of the food the chefs prepared for his personal use.

X. Conclusion

OIG finds that given his long term friendship with Kenneth Henderson, Dwayne Robinson should not have been involved in the RFQ selection process whatsoever. Even if he could have been objective, his friendship with one of the bidders gave rise to an appearance of impropriety. However, Robinson was not objective. Our investigation revealed that Robinson steered the contract to PSM. This was evidenced by his request to change the requirements of the contract. Had the requirements not been changed, PSM would not have met the minimum qualifications for bid submission. Although his input may have been beneficial to the process, the impropriety of Robinson’s actions outweighed any potential benefit. Therefore, Robinson should have disclosed to GBA his friendship with Henderson and withdrawn from the process entirely.

In addition, GBA’s internal procedure for contract compliance was virtually nonexistent. From as far back as 2004, PSM was charging GBA overtime and higher rates than the initial rates set forth in the contract. GBA either did not recognize this

discrepancy or failed to take the necessary steps to conform their conduct to the contract. GBA should have safeguards in place to ensure vendor contract compliance.

XI. Recommendations

OIG offers the following recommendations to the Georgia Building Authority. OIG requests that GBA provide a written response regarding implementation of these recommendations within 30 days of the issuance of this report.

1. GBA should ensure that contract specialists, end users, and any employees involved in the bid solicitation and selection process are trained in the proper procedures for processing and awarding contracts. Training should include, but is not limited to:
 - a. Avoidance of conflict of interest
 - b. Contract documentation and record keeping
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2. If, during the bid process, there is a request to deviate from the original solicitation document, a written explanation should be made part of the contract file.
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8. GBA should consider verifying with the Georgia Department Revenue and the Georgia Department of Labor that prospective vendors are in good standing.
9. GBA should require adherence to state records retention policies.

OIG reserves the right to re-open this matter should GBA fail to take corrective action regarding these findings and aforementioned acts.