

Nassau County
Office of the Comptroller



Limited Review of Nassau Suffolk Truck

GEORGE MARAGOS

Comptroller

July 31, 2014

NASSAU COUNTY
OFFICE OF THE COMPTROLLER

George Maragos
Comptroller

Steven L. Labriola
Chief Deputy Comptroller

Jostyn Hernandez
Director of Communications

Sergio Blanco
Counsel to the Comptroller

Review Staff

JoAnn Greene
Director of Field Audit

Aurora Scifo
Assistant Field Audit Director

Louis Grimaldi
Senior Project Manager

Brian Fredericks
Field Auditor III

Denise Gianotti
Field Auditor II

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Introduction

Executive Summary

Big Trucks Corp LTD doing business as Nassau Suffolk Truck (“NST”) located in Bay Shore, New York, is a Nassau County vendor since 2009, providing vehicle maintenance and repairs. The current Blanket Purchase Order Contract with the County was issued on December 27, 2011 and includes parts, paint and repairs for County Department of Public Works (“DPW”) and the police Department trucks and NICE¹ buses.

This Limited Review by the Comptroller’s Audit Unit has found the appearance of significant fraud totaling at least \$322,258 on the first 26 of the 56 claims selected by the auditors submitted by NST. In total, NST has submitted over 283 claims through July 21, 2014 to the County. Based the auditors’ interviews with four supply vendors, the supporting parts and material documents from NST were apparently altered or falsified.

As there is now sufficient evidence indicating that fraud may have occurred, the Comptroller’s audit is being suspended per audit standards,² and the matter will be referred to the County District Attorney and the County Attorney. Additionally, the Comptroller’s Office is suspending further payments to NST and has advised DPW to consider using a different vendor for its vehicle maintenance and repairs. The Comptroller’s office will continue to work cooperatively with the District Attorney and the County Attorney as necessary in order to assist with legal proceedings.

Table 1 below summarizes the County’s payments to NST since they became a vendor in 2009, as shown in the Nassau Integrated Financial System (“NIFS”) Vendor Summary.

¹ The Nassau Inter-County Express (NICE or NICE Bus) is the local bus system serving Nassau County, New York. In 2011, the owner, Nassau County, decided to switch the system over to a private operator, Veolia Transportation, due to a funding dispute with the MTA.

² GAO –Government Auditing Standards, Chapter 4, Standards for Financial Audits – Fraud.

TABLE 1

Nassau County's Payments to Nassau Suffolk Truck 2009-2014	
<u>Year</u>	<u>Amount</u>
2009	\$ -
2010	24,545
2011	13,708
2012	578,932
2013	1,261,803
2014 *	624,164
	<u>\$ 2,503,152</u>

• NST has used two different names, addresses, and PO boxes while conducting business with the County (Plug In Trucks and Big Trucks). The amount shown for January 1 - July 23, 2014 represents payments under both vendors (vendor numbers 562630489 and 464568331).

Audit Scope, Objectives and Methodology

The audit of NST was commenced in December, 2013 at the request of the Comptroller’s Claims Unit which referred five claims with potential supporting documentation indicating over-billing for labor hours. Specifically, the timesheets for different invoices indicated that the work was done on different vehicles by the same employee on the same day during the same timeframe.

The audit period was 2012 and 2013.

The objectives of the audit were to:

- 1.) review NST invoices for perceived over- billing of labor hours;
- 2.) review policies, procedures, and internal controls that ensure the County is properly charged for services actually rendered for Nassau County departments;
- 3.) review the blanket purchase order deliverables to determine that the vendor was paid for actual deliverables that were provided timely; and
- 4.) determine and quantify the extent of any over-billing of labor hours, and determine the cause of any over- billing, if any.

Introduction

Sample Selection Process:

We reviewed the NST blanket purchase order, examined 56 claim vouchers which included the five referred by Vendor Claims and a random sample of 51 others. We interviewed officials of the DPW and NCPD Departments, the Nassau County Fire Marshall, and Veolia to obtain their feedback on the quality of the work performed by NST.

The 56 NST claim vouchers (“test sample”) totaled \$955,368 (see Tables 2 and 3) out of a total of 204 claim vouchers posted in the County’s accounting system, NIFS in 2012 through December 12, 2013. This amount included the five NST claim vouchers totaling \$71,561 that were brought to the attention of Field Audit by the Claims Unit, due to the possible over-billing of labor hours identified on the timesheets submitted with the invoices.

Vendor Certification Requirement to Nassau County

All claims submitted to the County require a certification be signed by the company on the County voucher when submitted for payment. The certification statement attests to the fact that the amounts contained in the claim are true, correct and actual, and the services provided were necessary.

It should be noted that most of the claim vouchers (33 of 56 examined) from Nassau Suffolk Truck were signed by Kirk Lombardi, President of the company.

As shown in the findings 1 and 2 that follow, the amounts in the claims submitted to the County do not appear to be true, correct and actual.

Findings and Recommendations

Audit Finding (1):

All 26 Tested Claims from NST Representing over \$322K had Supporting Documents for Truck Parts That Were Apparently Altered and in Some Cases Completely Falsified

Interviews with five parts suppliers used by NST revealed that the invoices that NST represented were from these suppliers, were either ostensibly altered or re-created before NST presented them to the County to support their claim vouchers for payment. These invoices were for truck parts that NST charged the County for the repair and refurbishment of County trucks. All the tested Claims shown in TABLE 2 have supporting documents from one or more of these five suppliers. In some instances the same supporting invoice was used on multiple claims.

We selected four NST suppliers to visit on July 23, 2014 in order to verify the validity of a sample of their invoices, which were attached as supporting documentation on voucher claims submitted by NST to the County for payment. The fifth supplier is not located in New York State and was interviewed by telephone and various fax transmittals. See Audit Finding (2).

We reviewed the fifty six (56) NST claims (51 randomly selected and five referred from Claims for audit) and found the first 26 claims (See Table 2), had supporting invoices from one of these five parts vendors that appeared altered or re-created.

Since the validity of the supplier invoices submitted by NST is questionable, it follows that the labor charges associated with the installation may also be suspect, and therefore the entire voucher, including parts and labor, could be potentially fraudulent.

Findings and Recommendations

TABLE 2

**NST Claim Vouchers in Test Sample
Where Supporting Supplier Invoices for Parts Were Altered**

Blanket Purchase Order Number	Voucher Number	Contractors Invoice Number	Suppliers Parts Total	Invoice Total
BPNC11000418	VCNC13019343	16260	\$ 8,068.30	\$ 15,823.30
BPNC11000418	VCNC12018004	15524/15551	5,986.05	19,641.37
BPNC11000418	VCNC13017910	16041A	5,745.32	12,325.32
BPNC11000418	VCNC13021565	16031-A	5,745.32	12,325.32
BPNC11000418	VCNC13023209	16210	4,356.98	17,399.48
BPNC11000418	VCNC13023407	16242	4,267.97	21,742.97
BPNC11000418	VCNC13023210	16219	4,154.96	14,439.74
BPNC11000418	VCNC13023377	16219A	4,154.96	7,483.97
BPNC11000418	VCNC13023398	16226	3,753.02	19,289.27
BPNC11000418	VCNC13023414	16253	3,685.94	4,312.70
BPNC11000418	VCNC13023403	16230	3,607.42	18,732.42
BPNC11000418	VCNC13023411	16245	3,607.42	18,438.67
BPNC11000418	VCNC13022970	16328	3,605.62	12,770.62
BPNC11000418	VCNC13018928	16064	2,442.28	4,772.28
BPNC11000418	VCNC13012145	16005	2,116.02	11,984.77
BPNC11000418	VCNC13011072	15946	2,116.02	11,514.77
BPNC11000418	VCNC13012138	15930	2,116.02	11,397.27
BPNC11000418	VCNC13010706	16023	2,116.02	11,221.02
BPNC11000418	VCNC13010704	16021	2,116.02	11,044.77
BPNC11000418	VCNC13006770	15871	2,116.02	10,811.52
BPNC11000418	VCNC12022300	15702	2,116.02	10,809.77
BPNC11000418	VCNC13011071	15943	2,116.02	10,809.77
BPNC11000418	VCNC13005599	15880	2,116.02	10,751.02
BPNC11000418	VCNC13011074	15977	2,116.02	10,751.02
BPNC11000418	VCNC13002882	15841	2,116.02	10,633.52
BPNC10000156	VCNC12015716	15518	1,031.35	1,031.35
Count	26	Totals	\$ 87,489.13	\$ 322,258.00

Findings and Recommendations

Below is a summary of the results of our visit to each vendor (all Exhibits are shown at the end of the finding, immediately after the recommendation):

Trux Inc. Long Island Freightliner (“Trux”)³

The interview with one of the owners revealed the following:

- Trux company invoice numbers are six digits, and the most recent invoice number was #274990. The Trux invoice we showed him (#1457986 attached to claim VCNC13021565), dated March 30, 2013 contained seven digits and we were told it “was nonexistent”. See Exhibit 1A.
- On Exhibit 1A, one part number was billed to the County as a motor for \$315.80 plus 25% markup, when in fact that part number is for a belt that sells for \$36 to \$40. The second part number we discussed that was listed on the NST invoice as an alternator is an invalid part number.
- Trux Inc. also provided us with a sample of one of their invoices for another client, and it was not similar to the invoice we had. See Exhibit 1B.

BI-LO Industries⁴

The interview with the Office Manager revealed the following:

BI-LO Industries’ invoices begin with the number “4”. She stated that the BI-LO Industries invoice we showed her (Exhibit 1C) for Order #642137 attached to Claim VCNC13021565 “had an invalid order number which did not exist in their system”. See Exhibit 1D for a sample invoice directly from BI-LO Industries.

Truck King International⁵

The interview with the Parts Director, revealed the following:

The Truck King International invoice we showed him (attached to claim VCNC13017910) was not valid. See Exhibit 1E. We were told, that “the invoice number on the Truck King International invoice is not one of their valid invoice numbers and that account number means nothing”. Further, the invoice does not look like one of their invoices since it does not contain

³ Located at 1365 Lakeland Ave, Bohemia, NY 11716. The telephone number is 631-563-1399.

⁴ Located at 145 Brook Avenue, Deer Park, NY 11729. The telephone number is 631-595-1328.

⁵ Located at 191 Cabot Street, West Babylon, NY 11704. The telephone number is 718-649-2100.

Findings and Recommendations

the 'International' logo watermark that is found on all of their invoices in the area of the detailed parts descriptions. See Exhibit 1F for a sample invoice directly from Truck King International.

Sherwin-Williams Automotive Finishes⁶

The interview with the Sales Associate III revealed the following:

The amount (\$2,386.68 attached to Claim VCNC13023411) on the Sherwin-Williams Automotive Finishes invoice we showed him, Exhibit 1G, was not the amount billed to NST by Sherwin Williams. The actual amount billed by Sherwin Williams was \$580.50. The supplier's actual invoice indicated that a quantity of two (2) Pro Tex spray liner kits were purchased when the copy NST provided to the County falsely indicated a quantity of twelve (12) Pro Tex spray liner kits were purchased. See Exhibit 1H for a sample invoice directly from Sherwin-Williams Automotive Finishes.

Table 3 below lists claims in the selected test sample that have not been verified with the suppliers. The audit team decided to suspend the audit after the first 26 claims reviewed as it had found sufficient evidence of potential fraud to refer the matter to the legal authorities.

⁶ Located at 1605 Lakeland Ave, Bohemia, NY 11716. The telephone number is 631-563-2124.

Findings and Recommendations

TABLE 3

**NST Claim Vouchers in Test Sample
Where Supporting Supplier Invoices for Parts Were Not Yet Investigated**

Blanket Purchase		Contractors	Suppliers Parts	Invoice
Order Number	Voucher Number	Invoice Number	Total	Total
BPNC11000418	VCNC13018788	16133	\$ 31,271.51	\$ 39,496.51
BPNC11000418	VCNC13016876	16134	31,271.51	39,496.51
BPNC11000418	VCNC12018933	15637	25,544.90	39,026.78
BPNC11000418	VCNC12009906	15442	21,502.50	21,502.50
BPNC11000418	VNCN12018052	15503-15525	11,394.35	23,731.85
BPNC11000418	VCNC13023837	16339	10,398.97	17,500.00
BPNC11000418	VCNC12009113	15314	9,538.33	11,770.85
BPNC11000418	VCNC13020776	16281	9,238.86	13,703.86
BPNC11000418	VCNC12019338	15550-15563-15586	8,212.10	17,964.60
BPNC11000418	VCNC13006178	15856	8,180.12	14,055.12
BPNC11000418	VCNC12013658	15455	7,636.20	16,918.70
BPNC11000418	VCNC12012350	15443	7,306.64	22,816.64
BPNC11000418	VCNC12015080	15448	4,145.46	14,955.46
BPNC11000418	VCNC13020310	16218	3,685.94	18,517.19
BPNC11000418	VCNC12015158	15500-155463	2,943.54	11,088.54
BPNC10000156	VCNC12008049	15297	2,880.00	1,425.75
BPNC11000418	VCNC13018927	16063	2,708.54	13,871.04
BPNC11000418	VCNC13005608	15857	2,116.02	12,572.27
BPNC11000418	VCNC13002031	15821	2,116.02	10,809.77
BPNC11000418	VCNC13018929	16084	1,554.00	4,902.75
BPNC11000418	VCNC12011869	15312	1,115.74	12,836.37
BPNC10000156	VCNC12003006	15118	700.00	1,131.55
BPNC11000418	VCNC13018930	16108	686.27	1,097.52
No Blanket PO	VCNC12013663	15536	-	194,700.00
No Blanket PO	VCNC12022503	15768	-	21,450.00
BPNC11000418	VCNC13023839	16339A	-	16,810.22
No Blanket PO	VCNC13018300	15959	-	12,345.00
BPNC10000156	VNCN12008617	15297A	-	2,571.75
BPNC10000315	VCNC12016055	15518A	-	2,458.68
BPNC10000315	VCNC12006018	15298	-	1,582.32
Count	30	Totals	\$ 206,147.52	\$ 633,110.10

Findings and Recommendations

Audit Recommendations:

We recommend that:

- a) the County immediately stop making payments to this vendor until this matter can be fully investigated; and
- b) the Nassau County District Attorney's Office be contacted and advised of the audit findings.

Findings and Recommendations

Exhibit 1 A Documentation provided by Nassau Suffolk Truck to support payment from Nassau County

TRUX, INC. LONG ISLAND FREIGHTLINER

SALES (631) 563-1300 1365 LAKELAND AVENUE · BOHEMIA, NEW YORK 11716
 PARTS (631) 563-1389 TRUCKS & EQUIPMENT · SALES · SERVICE & PARTS
 SERVICE (631) 563-1388
 FAX (631) 563-1397



POSITIVELY NO RETURNS ON ELECTRICAL ITEMS. NOT RESPONSIBLE FOR LABOR ON DEFECTIVE MERCHANDISE. ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS INVOICE AND ARE SUBJECT TO 20% HANDLING CHARGE. NO RETURNS ON SPECIAL ORDERS. NO RETURNS AFTER 3 DAYS WITHOUT PRIOR AUTHORIZATION

DATE ENTERED	YOUR ORDER NO.	DATE SHIPPED	INVOICE DATE	INVOICE NUMBER
30-Mar-13	53974	30-Mar-13	30-Mar-13	1457986

ACCOUNT NO. 99910

NASSAU SUFFOLK TRUCK
PO BOX 12475
HAUPPAUGE, NY 11788

PG 1 OF 1

NASSAU SUFFOLK TRUCK
101 CLEVELAND AVENUE
BAY SHORE, NY 11706

SHIP VIA		SLSM.	B/L NO.	TERMS	CASH	F.O.B POINT	BOHEMIA, NY
QTY	UNIT	PART NO.	DESCRIPTION	LIST	NET	AMOUNT	
1	1	005-29619-013	RADIATOR	3216.92	2,372.57	2372.57	
1	1	0FG/FS19243	FILTR ELE	41.65	20.34	20.34	
1	1	0A05-26440-009	FILTER ELE	16.52	7.90	7.90	
1	1	0DN/P527682	FILTER KIT	74.32	46.30	46.30	
1	1	0GT/4080855	FILTER ELE	26.95	19.38	19.38	
1	1	001-27116-012	MOTOR	512.06	315.80	315.80	
2	2	0CHR/35066	SEAL	98.43	48.84	97.68	
2	2	0CHR/47691	SEAL	72.35	42.81	85.62	
2	2	038000-3A	HUB SEAL	7.54	5.17	10.34	
1	1	0A262054	AIR DRYER	621.89	408.82	408.82	
2	2	0HD-31DCH	BATTERY	112.64	89.81	179.62	
2	2	0CB-25497	CABLES	63.24	43.20	86.40	
1	1	0A05-2541-02	ALTERNATOR	576.91	407.29	407.29	
NOTICE: ALL CORES MUST BE RETURNED WITHIN 30 DAYS TO BE ELEGIBLE FOR FULL CREDIT...OUT ID# 11-2912658							
CUSTOMER SIGNATURE							
X							
TOTAL							\$4,058.06

25% plus

#37

Findings and Recommendations

Exhibit 1 B Sample Invoice supplied to Auditors by supplier "Trux Inc."

TRUX, INC.
LONG ISLAND FREIGHTLINER

SALES (631) 563-1300 1365 LAKELAND AVENUE · BOHEMIA, NEW YORK 11716
 PARTS (631) 563-1399 TRUCKS & EQUIPMENT · SALES · SERVICE & PARTS
 SERVICE (631) 563-1398
 FAX (631) 563-1397



POSITIVELY NO RETURNS ON ELECTRICAL ITEMS. NOT RESPONSIBLE FOR LABOR ON DEFECTIVE MERCHANDISE. ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS INVOICE AND ARE SUBJECT TO 20% HANDLING CHARGE. NO RETURNS ON SPECIAL ORDERS. NO RETURNS AFTER 3 DAYS WITHOUT PRIOR AUTHORIZATION

DATE ENTERED 23 JUL 14	YOUR ORDER NO. 406044	DATE SHIPPED 23 JUL 14	INVOICE DATE 23 JUL 14	INVOICE NUMBER 274986
---------------------------	--------------------------	---------------------------	---------------------------	--------------------------

S
O
L
D
T
O

ACCOUNT NO. 1630

STROEHMANN LINEHAUL LLP
 ATTN GARAGE
 1724 FIFTH AVE
 BAYSHORE, NY 11706

S
H
I
P
T
O

PAGE 1 OF 1

SHIP VIA	SLSM. 10	B/L NO.	TERMS FTL CENTRALIZED BI	F.O.B. POINT BOHEMIA, NY		
QTY	UNIT	PART NO.	DESCRIPTION	LIST	NET	AMOUNT
4	4	0	TL/10275Y	LAMP-MARK/	19.74	14.51
			ROE02 FTL CENTRALIZED 000000			58.04
NOTICE: ALL CORES MUST BE RETURNED WITHIN 30 DAYS TO BE ELEGIBLE FOR FULL CREDIT...OUR ID# 11-2912658 NO RETURNS ON SENSORS \$10.00 MIN ON CREDIT CARD PURCHASES				PARTS		58.04
CUSTOMER'S SIGNATURE X				SUBLET		
				FREIGHT		0.00
				SALES TAX		5.01
				TOTAL		\$63.05

x1001.100 1 OFFICE COPY STOWAGE



Findings and Recommendations

Exhibit 1 C Documentation provided by Nassau Suffolk Truck to support payment from Nassau County

BI-LO INDUSTRIES
 100 2400 AVENUE
 LINDENHURST, NY 11753
 TEL: 516-667-9700 FAX: 516-667-9701
 WWW.BILOINDUSTRIES.COM

NASSAU SUFFOLK TRUCK
 101 CLEVELAND AVENUE
 BAY SHORE, NY 11706

Order 642137

Order #:
 By:
 PO:

Trade #286
NASSAU SUFFOLK TRUCK
 101 CLEVELAND AVENUE
 BAY SHORE, NY 11706

Main: (631) 667-9700 CN:

Ship Qty	Unit	Part No.	Description	Units	Unit Price	Item Price	Extended
1	Slip	5500245	10 40WT ENGINE OIL 220Q15	270 n	4 6880	1031.26	1031.26
2		8254877	DIESRL FUEL 55 GLN	55 n	4 3920	241.55	483.10
1		5ATP0055	ATP ALL PURP 220Q15	220 n	3 1520	693.40	693.40
1		28000420	GEAR OIL 80-90 440PT5	440 n	5 0960	2242.24	2242.24

3/23/2013

PAID

CK. NO. 2-12026
 DATE 03/25/13

Empty Drums Returned _____ Signature Nicole Savin Date 3/25/13 **4,450.08**
 Print Nicole Savin

THANK YOU FOR YOUR BUSINESS

Driver _____ Truck _____ Amount Collected _____

Findings and Recommendations

Exhibit 1 D Sample Invoice supplied to Auditors
by supplier "BI-LO Industries"

BI-LO INDUSTRIES

145 BROOK AVENUE
DEER PARK, NY 11729
Phone: 631-595-1328 Fax: 631-595-1301
www.biloind.com

Ship To: **NASSAU SUFFOLK TRUCK**
101 CLEVELAND AVENUE
BAY SHORE, NY 11706

Sales Tax ID
56-2630489

Order 457748

On: 08/06/2013 13:58:33

By: .
PO:

Ordered By: .
NASSAU SUFFOLK TRUCK
101 CLEVELAND AVENUE
BAY SHORE, NY 11706

4305

**Main:(631) 667-9700 BEFORE
DELIVERING ORDERS-
GET AUTHORIZATION FROM
OFFICE FIRST CN: .**

Reprinted by: Tandra Dilorio @ 07/23/2014 12:35:46

Ship on: 08/07/2013 Our Truck COD
SLS: SM

Quantity		Part No.	Description	Units	Unit Price	Item Price	Extended
Order	Ship						
1	_____	550026174	SHELL CORENA S4 R 46 5 GLN	5.0	36.95000	184.75	184.75
1	_____		Fuel Surcharge waived	1.0			

Empty Drums Returned _____

Signature _____ Date _____

Print _____

184.75

THANK YOU FOR YOUR BUSINESS

Driver _____

Truck _____

ordfmt16 © 2002 Rax, Inc.
Printed: 7/23/2014 12:35:46

Page 1 of 1

Amount Collected _____

Findings and Recommendations

Exhibit 1 F Sample Invoice supplied to Auditors by supplier "Truck King International"

TRUCK KING INTERNATIONAL

191 Cabot Street
West Babylon, New York 11704
Phone: (631) 454-7999
Fax: (631) 454-7922



NO REFUNDS WITHOUT THIS INVOICE * NO RETURNS ON ELECTRICAL ITEMS
NO RETURNS ON SPECIAL ORDERED ITEMS * 20% HANDLING CHARGE ON ALL RETURNS * NO RETURN AFTER 10 DAYS

DATE ENTERED 23 JUL 14	YOUR ORDER NO.	DATE SHIPPED 23 JUL 14	INVOICE DATE	INVOICE NUMBER Q135962
---------------------------	----------------	---------------------------	--------------	---------------------------

ACCOUNT NO. 96 *Cash No. TAY* **INVOICE QUOTE - DO NOT PAY**
PAGE 1 OF 1
CASH NTAX - CAB
MUST TYPE CUST NAME

INVOICE

Q1359

SHIP VIA	SLSM.	B/L NO.	TERMS	F.O.B. POINT				
	12		CASH-NT	WEST BABYLON NY				
QTY	SHIP	B.O.	PART NO.	DESCRIPTION	LIST	NET	AMOUNT	OTHER LOCATIONS 9505 AVENUE D BROOKLYN, NY 11236 PH: 718-649-8400 FAX: 718-272-5475 5001 2ND AVE. BROOKLYN, NY 11232 PH: 718-492-8600 FAX: 718-492-1315 1370 VIELE AVE. BRONX, NY 10474 PH: 718-328-1816 FAX: 718-589-0617 58-80 BORDEN AVE. MASPETH, NY 11378 PH: 718-894-4850 FAX: 718-326-4362 650 COMMERCIAL AVE. CARLSTADT, NJ 07072 PH: 201-372-0602 FAX: 201-372-0605 2222 SMITHTOWN AVE. RONKONKOMA, NY 11779 PH: 631-981-1960 FAX: 631-738-6807
2	2	0	FLTBT31925S	SHIP FLEET EL	112.52	80.84	161.68	
				Part number				
				CORE DEPOSIT				
				replaces				
				MF31BS				
1	1	0	2007815C93	400 RADIATOR	3676.34	3025.04	3,025.04	
1	1	0	8200433	003 MOTOR	517.50	431.50	431.50	
2	2	0	CR35066	277 SEAL	42.29	38.30	76.60	
1	1	0	8200433	003 MOTOR	517.50	431.50	431.50	
***** INVOICE QUOTE - DO NOT PAY ***** 								
PARTS P 631-454-7999 PARTS F 631-454-7922 PARTS OPEN 8:00AM TO 6:00PM PLEASE REMIT PAYMENT TO: 9505 AVE. D BROOKLYN, NY 11236					PARTS 4,171.32 SUBLET FREIGHT 0.00 SALES TAX 0.00		TOTAL \$4,171.32	
CUSTOMER'S SIGNATURE					X			

stg11-100-1

CUSTOMER COPY

Findings and Recommendations

Exhibit 1 G Documentation provided by Nassau Suffolk Truck to support payment from Nassau County

SW-AUTOMOTIVE
1605 LAKELAND AVE
BOHEMIA NY 11716 2190

ACCOUNT: 9654-6984-4 JOB 01 NASSAU SUFFOLK TRUCK

NASSAU SUFFOLK TRUCK
101 CLEVELAND AVE
BAY SHORE NY 11706 1218

SHERWIN-WILLIAMS
Automotive Finishes

Visit www.sherwin-williams.com
Store 9151 BRIAN
(631)563-2124
Fax - (631)563-2104

SALE
No. 4928-4
TRC# 239680

ORDER: OE0023020A9151
DATE: 8/01/2013
TIME: 2:02 PM
3-9360
E22/16946 10

SALES NUMBER	SIZE	PRODUCT	DESCRIPTION	QTY	PRICE	VALUE
887-6823	EACH	40640	SR40640 - PRO-TEX BL	12	196.80	2,361.60
SUBTOTAL						2,361.60
V. 8257 BAMES TAN-1-331170600						0.00
MASTER CARD						-2,361.60
C/C# 12345678901234567890						0.00
AUTH # 906837						0.00
TOTAL						\$2,361.64

Thank You
receipt required for refund

CARDHOLDER - KIRK LOWBARDT _____ DATE _____

CUSTOMER SIGNATURE _____ DATE _____

Findings and Recommendations

Audit Finding (2):

Three Altered Invoices from a Paint Supplier were used to Support Unit Costs on 22 Claim Vouchers Submitted to the County (Previously included in Table 2)

The auditors reviewed two documents that NST represented to the County as paint invoices coming from an out of state (Oklahoma) paint supplier, H-I-S Paint Manufacturing Company (“H-I-S Paint”) and concluded that the invoices appeared fraudulent. A brief description of the documents selected for review is as follows:

- Document labeled as “Price Quote Only” for a total of \$64,287.45 with no invoice number (see Exhibit 2A), was submitted on thirteen Claims to support the unit cost of paint. (Note: All Exhibits are shown at the end of the finding, immediately following the recommendations).
- Supplier Invoice labeled 2154789 totaling \$57,539 was used as a supporting document for eight claims to support the unit cost for paint (See Exhibit 2B).

The auditors spoke on the telephone to an accounting official at H-I-S Paint and faxed copies of the documents to them. We were advised by the accounting official at H-I-S Paint that:

- their “invoice had been modified;”
- the invoice number is not an invoice number used by H-I-S Paint;
- it appeared that zeros had been added after the quantity ordered in the description section;
- the invoice had been greatly changed and that a different font was used; and
- the word “estimate” was not on the document as is their customary practice.

The accounting official from H-I-S Paint faxed the auditors a listing of all of their invoices for NST from 2009 to 2014 (see Exhibit 2D). We computed the average price for these invoices to be \$2,941 and noted that the largest invoice was for \$8,640.72. The official from H-I-S Paint stated that their invoices are usually not more than \$3,000. This supports our finding that the claims were likely altered. Further review of County records found another document labeled an “Order” in the amount of \$13,390.11 (See Exhibit 2C). Therefore the invoices (amounts of \$64,287.45, \$57,539.00 and \$13,390.11) that were submitted to the County to support the unit cost of paint charged to the County were apparently false.

Audit Recommendations:

We recommend that:

- a) the County immediately stop making payments to this vendor until this matter can be fully investigated; and

Findings and Recommendations

- b) the Nassau County District Attorney's Office be contacted and advised of the audit findings.

Findings and Recommendations

Exhibit 2 A Invoice Submitted by Nassau Suffolk Truck



5:05 PM

H-I-S PAINT MFG. CO. LLC
 1801 WEST RENO
 OKLAHOMA CITY, OK. 73106

PHONE: (405) 232-2077

REFERENCE: PRICE QUOTE ONLY

TERMS: NET 30 DAYS

CLERK: CA

DATE/TIME: 11:01

SHIP TO:
 NASSAU SUFFOLK TRUCK
 101 CLEVELAND AVE
 BAYSHORE NY 11706

DEL. DATE: 5/10/12
 RECAL# NY 66-2839489
 SALESPERSON: 12 GREG RICHARDSON
 TAX: NY NON TAXABLE

BUYER:
 NASSAU SUFFOLK TRUCK
 P.O. BOX 12475
 HAVI PAUGE NY 11708

TERMINAL: S70

ORDER

LINE	SHIPPED	ORDERED	QTY	SKU	DESCRIPTION	LOCATION	UNITS	PRICE/PER	EXTENSION
1	100	100	5G	91X44-5	HS TOT ORANGE ENAMEL PAINT, 3 UN1263 PGII 5 GALLON			156.97/G	15,697.00
3	125	125	5G	91W41-5	HS FLEET WHITE ENAMEL PAINT, 3 UN1263 PGII 5 GALLON			129.10/G	16,137.50
4	75	75	5G	91B02-5	HIGH SOLIDS BLACK ENAMEL PAINT, 3 UN1263 PGII 5 GALLON			98.67/G	7,400.25
5	75	75	5G	91A01-5	HI-SOLIDS ALKYD ENAMEL ATB PAINT, 3 UN1263 PGII 5 GALLON			154.10/G	11,557.50
6	120	120	4	98305-4	FORMULA: SUPER EPOXY PRIMER GRAY "LIGHT GRAY" EPOXY PRIMER - BASE ONLY "NO CATALYST FORMULA:			112.46/G	13,495.20

DEPOSIT AMT 0.00
 BALANCE DUE



NET WT: 0.00

TAX AMOUNT 0.00
TOTAL \$64,287.45

X _____
 Received by



Findings and Recommendations

Exhibit 2 B Invoice Submitted by Nassau Suffolk Truck



H-I-S PAINT MFG. CO. LLC
1801 WEST RENO
OKLAHOMA CITY, OK 73106
PHONE: (405) 232-2077

PAGE NO 1

CUST NO: 65702	JOB NO: 000	PURCHASE ORDER	REFERENCE	TERMS: NET 30 DAYS	CURR: RPS	DATE/TIME: 6/27/13 5:28
BOLD TO: NASSAU SUFFOLK TRUCK P.O. BOX 12475 HAVPPAVGE NY 11788			SHIP TO: NASSAU SUFFOLK TRUCK 101 CLEVELAND AVE BAYSHORE NY 11706		EXP. DATE: 6/28/13 TERMINAL: 555	
				FEDERAL NO: NY 56-2630488 SALES PERSON: 12 GREG RICHARDSON TAX: NY NON TAXABLE		

INVOICE: 2154789

LINE	SHIPPED	ORDERED	UM	SKU	DESCRIPTION	SUGG	UNITS	PRICE/	PER/	EXTENSION
1	150	150	SG	91W41-5	HIS FLEET WHITE ENAMEL UN 1253, PAINT, 3, PG-II 5 GALLON	126.15	150	126.15 /SG		18,922.50
2										
3										
4	100	100	SG	91B02-5	HIGH SOLIDS BLACK ENAMEL UN 1253, PAINT, 3, PG-II 5 GALLON	102.16	100	102.16 /SG		10,216.00
5										
6										
7	50	50	SG	91A01-5	HI-SOLIDS ALKYD ENAMEL ATB UN 1253, PAINT, 3, PG-II 5 GALLON	156.97	50	156.97 /SG		7,848.50
8										
9										
10										
11										
12										
13										
14										
15	200	200	EA	98G05KIT-5	SP EPOXY PRIMER KIT	102.76	200	102.76 /EA		20,552.00
				98Z05-1	EPOXY CATALYST CLEAR					
				98C05-4	SUPER EPOXY PRIMER GRAY					
16										
17										
18										
19										
20										
21										

TAXABLE 0.00
NON-TAXABLE 57,539.00
SUBTOTAL 57,539.00

TAX AMOUNT 0.00
TOTAL 57,539.00



TOT WT: 0.00

X _____
Received By

Remit to: H-I-S Paint Mfg Co. LLC. 1801 W. Reno, Oklahoma City, OK 73106 405-232-2077

Findings and Recommendations

Exhibit 2 C Invoice Submitted by Nassau Suffolk Truck



H-I-S PAINT MFG. CO, LLC
 1801 WEST RENO
 OKLAHOMA CITY, OK 73106
 PHONE: (405) 232-2077

PAGE NO 1

CUST NO 69762	JOB NO. 506	PURCHASE ORDER VERBAL/WCOLE	REFRESH COG ALWAYS SHIP COLLECT	TERMS NET 30 DAYS	CLOCK RPS	DATE PAID 10/29/15	10 52	
SOLD TO: NASSAU SUFFOLK TRUCK P O BOX 12476 HAYSTACK NY 11788				SHIP TO: NASSAU SUFFOLK TRUCK 101 CLEVELAND AVE BAYSHORE NY 11706				TERMINAL 525
				DEL DATE 10/20/13				
				ADDRESS NY 06-26/UMRN				
				SALES PERSON: GREG RICHARDSON				
				TAX: NT NON-TAXABLE				

ORDER: 102860

LINE	QUANTITY	ORDERED	UNIT	SKU	DESCRIPTION	LOCATION	UNITS	PRICE	PER EXTENSION
1	25		D	91W41-S	HS FLEET WHITE ENAMEL UN 1263 PAINT, 3, PG-II			128.15	3159.75 N
2					5 GALLON				
3	15		G	91D140-S	HS TO BLUE UN 1263 PAINT, 3, PG-II			115.80	1737.00 N
4					5 GALLON				
5	36		G	91B92-S	HIGH SOLIDS BLACK ENAMEL UN 1263 PAINT, 3, PG-II			162.66	5855.76 N
6					5 GALLON				
7	15		GL	110202-1	ACRYLIC URETHANE CATALYST 1 GALLON	7 E	16	103.94	1559.10 CN
8					1 GALLON	7 E			
9	25		G	92G25-S	GRAY ACRYLIC PRIMER SURFACER UN 1263 PAINT, 3, PG-II			102.76	2569.00 N
10					5 GALLON				
11	25		C	91X56-S	HS FLEET ORANGE ENAMEL UN 1263 PAINT, 3, PG-II			129.18	3229.50 N
12					5 GALLON				
13									
14									
15									
16									
17									
18									
19									
20									

TAXABLE 0.00
 NON-TAXABLE 13890.11
 SUBTOTAL 13890.11

DEPOSIT AMT 0.00
 BALANCE DUE 13890.11



TOT WT: 0.00

TAX AMOUNT 0.00
TOTAL 13890.11

X

Received by

Remit to: H-I-S Paint Mfg Co. LLC, 1801 W. Reno, Oklahoma City, OK 73106 405 232-2077

Findings and Recommendations

Jul. 23. 2014 3:15PM

Exhibit 2 D Average payments to this vendor totaled \$2,951

	A	B	C	D		
1	Date	Type	Cust #	Doc #	Customer Name	
2	5/19/2014	Invoice	69702	B42731	NASSAU SUFFOLK TRUCK	2,805.47
3	4/9/2014	Invoice	69702	B35413	NASSAU SUFFOLK TRUCK	2,763.36
4	3/14/2014	Invoice	69702	B29057	NASSAU SUFFOLK TRUCK	2,148.03
5	10/31/2013	Invoice	69702	B02860	NASSAU SUFFOLK TRUCK	2,032.08
6	10/21/2013	Invoice	69702	B00498	NASSAU SUFFOLK TRUCK	1,077.01
7	10/14/2013	Invoice	69702	X90370	NASSAU SUFFOLK TRUCK	1,300.91
8	9/30/2013	Invoice	69702	K81540	NASSAU SUFFOLK TRUCK	4,570.24
9	4/10/2013	Invoice	69702	X40466	NASSAU SUFFOLK TRUCK	2,777.32
10	3/13/2013	Invoice	69702	B35127	NASSAU SUFFOLK TRUCK	2,478.39
11	2/22/2013	Invoice	69702	X32531	NASSAU SUFFOLK TRUCK	175.41
12	2/22/2013	Invoice	69702	B31730	NASSAU SUFFOLK TRUCK	1,825.23
13	1/18/2013	Invoice	69702	B25861	NASSAU SUFFOLK TRUCK	2,876.32
14	12/20/2012	Invoice	69702	B19006	NASSAU SUFFOLK TRUCK	4,107.44
15	11/23/2012	Invoice	69702	B15724	NASSAU SUFFOLK TRUCK	2,562.04
16	10/24/2012	Invoice	69702	B10232	NASSAU SUFFOLK TRUCK	3,739.90
17	10/5/2012	Invoice	69702	B07733	NASSAU SUFFOLK TRUCK	432.27
18	9/28/2012	Invoice	69702	X05522	NASSAU SUFFOLK TRUCK	3,878.02
19	9/7/2012	Invoice	69702	B02067	NASSAU SUFFOLK TRUCK	3,241.33
20	8/16/2012	Invoice	69702	B95827	NASSAU SUFFOLK TRUCK	2,505.13
21	7/23/2012	Invoice	69702	B85209	NASSAU SUFFOLK TRUCK	2,247.44
22	7/5/2012	Invoice	69702	B80788	NASSAU SUFFOLK TRUCK	2,776.99
23	6/13/2012	Invoice	69702	B74203	NASSAU SUFFOLK TRUCK	1,315.04
24	5/14/2012	Invoice	69702	B67728	NASSAU SUFFOLK TRUCK	2,613.76
25	4/27/2012	Invoice	69702	B64893	NASSAU SUFFOLK TRUCK	2,494.13
26	3/27/2012	Invoice	69702	B58705	NASSAU SUFFOLK TRUCK	2,960.26
27	3/2/2012	Invoice	69702	B53968	NASSAU SUFFOLK TRUCK	1,606.15
28	2/8/2012	Invoice	69702	B50791	NASSAU SUFFOLK TRUCK	338.30
29	2/7/2012	Invoice	69702	B50149	NASSAU SUFFOLK TRUCK	1,490.09
30	1/17/2012	Invoice	69702	B46243	NASSAU SUFFOLK TRUCK	1,180.74
31	12/28/2011	Invoice	69702	B43285	NASSAU SUFFOLK TRUCK	2,399.13
32	12/8/2011	Invoice	69702	140784	NASSAU SUFFOLK TRUCK	1,109.06
33	11/21/2011	Invoice	69702	X36803	NASSAU SUFFOLK TRUCK	2,906.67
34	4/25/2011	Invoice	69702	198013	NASSAU SUFFOLK TRUCK	2,384.49
35	3/18/2011	Invoice	69702	188422	NASSAU SUFFOLK TRUCK	8,640.72
36	11/15/2010	Invoice	69702	161519	NASSAU SUFFOLK TRUCK	2,273.40
37	10/8/2010	Invoice	69702	154854	NASSAU SUFFOLK TRUCK	7,796.13
38	7/21/2010	Invoice	69702	K40759	NASSAU SUFFOLK TRUCK	1,788.00
39	7/20/2010	Invoice	69702	140759	NASSAU SUFFOLK TRUCK	5,150.67
40	7/8/2010	Invoice	69702	138868	NASSAU SUFFOLK TRUCK	292.60
41	6/15/2010	Invoice	69702	134729	NASSAU SUFFOLK TRUCK	1,985.11
42	5/17/2010	Invoice	69702	129456	NASSAU SUFFOLK TRUCK	7,358.95
43	4/12/2010	Invoice	69702	123531	NASSAU SUFFOLK TRUCK	584.45
44	3/25/2010	Invoice	69702	K86102	NASSAU SUFFOLK TRUCK	187.18
45	3/25/2010	Invoice	69702	120306	NASSAU SUFFOLK TRUCK	2,057.37
46	3/16/2010	Invoice	69702	118705	NASSAU SUFFOLK TRUCK	6,747.20
47	1/6/2010	Invoice	69702	109753	NASSAU SUFFOLK TRUCK	5,930.01
48	11/18/2009	Invoice	69702	104296	NASSAU SUFFOLK TRUCK	3,903.80
49	10/2/2009	Invoice	69702	196597	NASSAU SUFFOLK TRUCK	4,149.56
50	9/3/2009	Invoice	69702	191822	NASSAU SUFFOLK TRUCK	2,223.50
51	7/17/2009	Invoice	69702	183310	NASSAU SUFFOLK TRUCK	3,487.20
52	7/8/2009	Invoice	69702	L77347	NASSAU SUFFOLK TRUCK	1,063.48
53	7/7/2009	Invoice	69702	177347	NASSAU SUFFOLK TRUCK	1,450.00
54	6/16/2009	Invoice	69702	171079	NASSAU SUFFOLK TRUCK	954.66
55	6/3/2009	Invoice	69702	167458	NASSAU SUFFOLK TRUCK	2,023.75
56	4/23/2009	Invoice	69702	156582	NASSAU SUFFOLK TRUCK	2,800.27
57	4/2/2009	Invoice	69702	153906	NASSAU SUFFOLK TRUCK	2,526.02
58	3/6/2009	Invoice	69702	149666	NASSAU SUFFOLK TRUCK	1,984.85
59	2/10/2009	Invoice	69702	146282	NASSAU SUFFOLK TRUCK	1,547.55
60	1/16/2009	Invoice	69702	143254	NASSAU SUFFOLK TRUCK	1,451.73

3:15 PM

Page 1 of 1

7/23/2014

Findings and Recommendations

Audit Finding (3):

DPW Apparently Failed to Properly Monitor Vendor and Vendor Payments

Our review revealed numerous instances (VCNC12013658, VCNC13018788, VCNC13022970, VCNC12018004, VCNC 12022300, VCNC13005599, VCNC13002882, VCNC13006770, VCNC13010704, VCNC13010706, VCNC13011071, VCNC13011072, VCNC13011074, VCNC13012138, VCNC13012145, VCNC13019343) where DPW accepted inadequate supporting documentation from NST such as delivery tickets, order acknowledgments, price quotes and packing slips rather than proof of the price paid for parts.

The blanket purchase order requires NST to submit supporting supplier invoices to DPW to document the cost of parts and materials used in the repair of County vehicles.

County policy requires that DPW review and approve all vendor claim vouchers before submitting them to the Comptroller's Office for payment.

Audit Recommendation:

We recommend that the necessary corrective actions be taken to ensure that DPW thoroughly reviews vendor claim vouchers and the supporting documents to ensure their validity and accuracy prior to submission to the Comptroller's office for payment.

Findings and Recommendations

Sep. 24. 2013 5:05PM

No. 9489 P. 4

Exhibit 3 A Nassau Suffolk Truck submitted Order Acknowledgment instead of Invoice



ORDER ACKNOWLEDGEMENT

The Expert FitSM

GHX Floorcare - Baltimore
5600 Pineside Park Drive, Suite 313
Beltsville, MD 21126
1-866-356-9326

Order Number: 9720634

Order Date	Page
9/19/2013 10:28:10	1 of 1

Printed Ship Date: 9/19/2013

Bill To:
Credit Card Customer
US

Ship To:
NASSAU SUFFOLK TRUCK
88 CLEVELAND AVE
BAY SHORE, NY 11706
US

Ordered By: Mr. Dean Deerecent

Customer ID: 166712

PO Number	Ship Range	Taker
NASSAU SUFFOLK TRUCK		JOHN JOHNSON

Quantity		Unit		Item ID	Item Description	Unit Price	Ext Price	Extended Price
Order	Invoice	Order	Unit					
<i>Delivery Instructions:</i> E-mail copy of invoice when shipped to: na@ghx.com								
01	800	010	EA	0100	SPRINGER MACHINE	EA		
				10	BRANDERBERGER CLEANING HOSE 1 1/2 X 100 FT HOSE 250 PSI CLO 1 IN NIPPLE		2,850.00	2,850.00
				02	BRANDERBERGER CLEANING HOSE			
				03	7' x 25' Street Cleaning Leader Hose			
Sub-TOTAL:							8,175.00	
TAX:							0.00	
AMOUNT TENDERED:							0.00	
AMOUNT DUE: (US Dollars)							\$8,175.00	

Findings and Recommendations

NO. 4402

Sep. 24. 2013 5:05PM

NPME
 025 S. FIFTH AVE. (717) 274-2041
 P.O. BOX 630
 LEBANON, PA 17042-0030
 www.npme.com

Exhibit 3 B Nassau Suffolk Truck submitted Delivery Ticket instead of Invoice

DELIVERY RECEIPT

DATE	BILGA	DOT	TRUCK DRIVER	TRUCK REG	SHIPPER CODE	CONSIGNEE CODE	TRUCKER BILL NO.
09/20/2013	13E	07	12A743E		14055		CD#17 49795349
NASSAU SUFFOLK TRUCK				KURIYAMA OF AMER INC.			
101 CLEVELAND AVE RAY CHORE NY 11706				1 GOLDMAN DR NEW EGYPT NJ 08533			
PG. NO.	12114203	ADV. CL. PRO. NO.	17620	TRUCKER BILL NO.	24052738		
TRANSFER FROM	AT	ADV. CL. PRO. NO.	TRANSFER TO	AT	DUE ADV. CL.	DUE NPME	DUE DLY. CL.
PCS.	DESCRIPTION			ACCESSORIAL CHGS.	WEIGHT/LBS.	STATE	CHARGES
	COLLECT CASH OR COMPANY CHECK MADE OUT TO NPME FOR \$476.02 DISCOUNT NOT APPLICABLE IF NOT PAID WITHIN TERMS PERMITTED BY NPME 100						
SEE PREVIOUS PAGES OF THIS BILL				47.54	DISCOUNT		
TOTALS				47.54			TOTAL 476.02
TERMS				PRINT NAME	DEL. DATE	TRK. NO.	

Limited Review of Nassau Suffolk Truck

Findings and Recommendations

Exhibit 3 D Nassau Suffolk Truck submitted Price Quote instead of Invoice



H-I-S PAINT MFG. CO, LLC
1801 WEST RENO
OKLAHOMA CITY, OK, 73106

PHONE: (405) 232-2877

ORDER NO: 0070 JOB NO: 000 PURCHASE ORDER: PO #PENDING REFERENCE: PRICE QUOTE ONLY TERMS: NET 30 DAYS CLERK: CA DATE/TIME: 11:01
 TERMINAL: 570

SHIP TO: NASSAU SUFFOLK TRUCK 101 CLEVELAND AVE BAYSHORE NY 11708
 DEL. DATE: 5/10/12 REPAIR NO: NY 66-2838469 SALES PERSON: 12 GREG RICHARDSON
 TAX: NT NON TAXABLE

ORDER

LINE	SHIPPED	ORDERED	QTY	SKU	DESCRIPTION	LOCATION	UNITS	PRICE/	PER	EXTENSION
1	100	100	5G	91X44-5	HS TOTORANGE ENAMEL PAINT, 3 UN1263 PGI 5 GALLON			156.97/G		15,697.00
2	125	125	5G	91W41-5	HS FLEET WHITE ENAMEL PAINT, 3 UN1263 PGI 5 GALLON			129.10/G		16,137.50
3	75	75	5G	91B02-5	HIGH SOLIDS BLACK ENAMEL PAINT, 3 UN1263 PGI 5 GALLON			98.67/G		7,400.25
4	75	75	5G	91A01-5	HI-SOLIDS ALKYD ENAMEL ATB PAINT, 3 UN1263 PGI 5 GALLON BT BLUE FORMULA			154.10/G		11,557.50
5	120	120	4	98905-4	SUPER EPOXY PRIMER GRAY "LIGHT GRAY" EPOXY PRIMER - BASE ONLY**NO CATALYST FORMULA			112.46/G		13,495.20

DEPOSIT AMT: 0.00
BALANCE DUE: 0.00



NET WT: 0.00

TAX AMOUNT: 0.00
TOTAL: \$64,287.45

X _____
Received By

Findings and Recommendations

Exhibit 3 E Nassau Suffolk Truck submitted Packing Slip instead of Invoice

Inv 16133



**Joe Johnson
Equipment Inc.**

Clean Air. Clean Water. Clean Streets.

62 LaGrange Ave.
Rochester, NY 14613
USA

Ship To: SAME AS BELOW

Invoice To: NASSAU SUFFOLK TRUCK
101 CLEVELAND AVE
BAY SHORE, NY 11706

Branch: ROCHESTER		ANYTIME	
Date: 11-14-95	Time: 10:01	Page: 01	
Account No: NASS001	Phone No: 633 6679 100	Invoice No: ETC28X	
Ship Via: 5192	Discount Code: 5192		
Salesperson: CHE	Salesperson ID: CHE		

Database # 45-060870 Counter # 209244

PACKING SLIP • Not An Invoice

ORDER#: 010094.01

QTY	DESCRIPTION	BIN	ORD	ISS	SHIP	B/O	UNIT	PRICE	AMOUNT
00412038	Oil Filter	CSC	2	2	2			20.74	\$40.64
00412040	Fuel Filter	CSC	2	2	2			7.90	\$15.80
00412049	Air Filter	CSC	2	2	2			16.30	\$92.60
00478521	Water Filter	CSC	2	2	2			19.38	\$38.76
00690711	Starter	04-00A	2	2	2			214.50	\$429.00
01512965	Rear Seal	10-03A	4	4	4			43.94	\$195.36
01512964	Forward Seal	10-03B	4	4	4			42.81	\$171.24
01512871	Hub Seal	10-03F	4	4	4			5.17	\$20.68
00092458	Battery Jumper	CS	4	4	4			28.80	\$115.20
00092452	Battery Jumper	CS	4	4	4			123.19	\$492.76
0021059	Alternator	04-00B	2	2	2			232.28	\$464.56
00092450	Engine Assy	V03C3C	2	2	2			12733.25	\$25,466.50
00092456	Core Charge	N/A	2	2	2			4375.00	\$8,750.00
00092459	Transmission Assy	V03C3C	2	2	2			3555.60	\$7,111.20
00092457	Core Charge	N/A	2	2	2			1250.00	\$2,500.00

25% +

Subtotal 552,484.94
 NYS Tax EXEMPT
 Wire Transfer Sale 552,484.94

All quoted prices in this document must be returned within 3 days of receipt. All returns are accepted after 30 days of receipt. All electronic components are non-refundable. All returns must be pre-approved. All returns are subject to re-inspection and shipping fees up to \$25. Parts will remain the property of JJE until payment has been received in full. JJE, retains no obligation whatsoever regarding the accuracy or reliability of any part of this document.

ALBANY BARNES CALGARY CHARLE VEEBINGTON CHICAGO HAWAII HONOLULU KANSAS CITY ROCHESTER TORONTO WINNIPEG
 513.987.4531 706.722.7700 403.255.9314 586.242.4190 780.459.1804 602.408.7700 465.251.0806 610.722.7700 645.254.7700 805.532.0227 224.238.0266

Findings and Recommendations

Audit Finding (4):

Vendor Mark-up on Parts and Materials Charged to the County was Higher than the Amount in the NST Bid Submission that was Subsequently Awarded

NST submitted a formal sealed bid to the County Purchasing Department which included a 24% markup on parts. The bid was dated November 29, 2011, opened on December 1, 2011 and awarded on December 19, 2011. Exhibits 4A and 4B are pages from NST's formal sealed bid to Purchasing, documenting the 24%. Exhibit 4C is the summary of bids for all bidders which also states 24%.

The blanket purchase order issued by Purchasing has numerous mistakes. It should match the bid documents. See Exhibits 4A, 4B, and 4C for the NST bid and the bid summary, and 4D for the relevant blanket purchase order pages.

- As shown in Exhibit 4A and D, key items in the bid were listed as “welding maintenance and repair services” instead of the repair and reconditioning of County trucks.
- Part prices under item 1 do not match the NST bid. As shown in Exhibit 4D, the cost of parts on the blanket purchase order is the manufacturer's list price less 11%. However, NST's sealed bid (Exhibit 4A) shows manufacturer's list price less minus 5%;
- As shown in Exhibit 4D, the blanket purchase shows the markup on parts to be cost plus 25%, whereas NST's sealed bid listed the markup on parts as cost plus 24% (Exhibit 4A).

As shown in Exhibit 4A, the President of NST signed the sealed bid attesting to the manufacturer's list price less 11% and the markup on parts to be cost plus 24%.

For the 56 invoices in the auditors' test sample, all parts were billed by NST to the County with a markup of 25%, not the 24% submitted in the sealed bid. As shown in Tables 2 and 3, the total charges for parts were \$293,636.65.

Audit Recommendation:

We recommend that all open blanket orders for NST be cancelled until this matter is resolved.

Findings and Recommendations

EXHIBIT 4A

OFFICE OF PURCHASING
COUNTY OF NASSAU STATE OF NEW YORK

FORMAL SEALED BID PROPOSAL
9815-12011-276

PLAN B (TIME AND MATERIALS) PRICING SCHEDULE:

LABOR BETWEEN THE HOURS OF 9:00 A.M. AND 5:00 P.M. MONDAY THROUGH FRIDAY:

B1) MINIMUM/CALL OUT CHARGE (IF ANY) (INCLUDES N/C)
\$ _____

B2) REGULAR HOURLY RATE at \$ 58.75 /hr.

B3) EACH ADDITIONAL QUARTER HOUR at \$ 19.25 /¼ hr.

B4) TRAVEL TIME (IF ANY) NONE

B5) MILEAGE (IF ANY) NONE

PARTS:

B6) MANUFACTURER'S LIST PRICE (MLP) LESS 5% %

B7) COST PLUS % + 24% %

Vendor agrees, if requested, to provide the user department, the County Comptroller, or authorized representative of the Purchasing Department with copies of such manufacturer's list price. The cost plus rate stated above will be paid only when there is no manufacturer's list price, and when billing is accompanied by a written notice from the part manufacturer advising that it does not issue price lists or that the particular item(s) in question do not have a list price.

WARRANTY PERIOD: On Service, Repair Rendered

PARTS: 30 days

LABOR: 90 days

OVERTIME RATES: All other times (after 5:00 PM or before 9:00 AM Monday through Friday, or any time on Saturday or Sunday.

B8) MINIMUM CHARGE (IF ANY) \$ 0

B9) REGULAR HOURLY RATE at \$ 58.75 /hr.

B10) EACH ADDITIONAL QUARTER HOUR at \$ 19.25 /¼ hr.

RESPONSE TIME 2 HRS

ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.

BIDDER SIGN HERE

Reese
BIDDER

president
TITLE

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Findings and Recommendations

EXHIBIT 4B

OFFICE OF PURCHASING
COUNTY OF NASSAU STATE OF NEW YORK

FORMAL SEALED BID PROPOSAL
9815-12011-276

Bidders (Contractors) are hereby advised that to insure and facilitate payment, the following information must accompany the contractor's claim:

Time sheet signed by authorized County personnel. Time sheets shall show travel time, if any, time of arrival, time of departure and hours worked.

Details of parts used

If parts used are regularly carried in stock and manufacturer's price lists are used to price repair invoices, the contractor should furnish a copy of the price list to the Office of Purchasing. If parts are purchased to complete the repair, photocopies of the invoices must be furnished with the claim. Compliance with the above is necessary in order to expedite payment.

NON-COLLUSIVE BIDDING CERTIFICATION REQUIRED BY SECTION 139-D OF THE STATE FINANCE LAW

BY SUBMISSION OF THIS BID, BIDDER AND EACH PERSON SIGNING ON BEHALF OF BIDDER CERTIFIES, AND IN THE CASE OF A JOINT BID, EACH PARTY THERETO CERTIFIES AS TO ITS OWN ORGANIZATION, UNDER PENALTY OR PERJURY, THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF:

- [1] The prices of this bid have been arrived at independently, without collusion, consultation, communication, or agreement for the purposes of restricting competition, as to any matter relating to such prices with any other Bidder or with any competitor;
- [2] Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to opening, directly or indirectly, to any other Bidder or to any competitor; and
- [3] No attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

A BID SHALL NOT BE CONSIDERED FOR AWARD NOR SHALL ANY AWARD BE MADE WITH [1], [2], [3] ABOVE HAVE NOT BEEN COMPLETE WITH; PROVIDED HOWEVER, THAT IF IN ANY CASE THE BIDDER(S) CANNOT MAKE THE FOREGOING CERTIFICATION, THE BIDDER SHALL SO STATE AND SHALL FURNISH BELOW A SIGNED STATEMENT WHICH SETS FORTH IN DETAIL THE REASONS THEREFORE:

[AFFIX ADDENDUM TO THIS PAGE IF SPACE IS REQUIRED FOR STATEMENT]

Subscribed to under penalty of perjury under the laws of the State of New York,

this 29 day of November, 20 11 as the act and deed of said Corporation or Partnership.

Identifying Data:

Potential Contractor: Nassau Suffolk Truck

Address: 101 Cleveland Avenue

Street: Bay Shore NY 11706

City, Town, etc: _____

Telephone: 631 667 9700 Title: president

ALL BIDS MUST BE F.O.B. DESTINATION AND INCLUDE DELIVERY WITHIN DOORS UNLESS OTHERWISE SPECIFIED.

BIDDER SIGN HERE Ke [Signature] ps BIDDER president TITLE

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Findings and Recommendations

EXHIBIT 4C

**BID SUMMARY PREPARED BY
COUNTY PURCHASING DEPARTMENT**

OFFICE OF PURCHASING
 SUMMARY OF BIDS
 OPENED: DECEMBER 1, 2011 AT 11 A.M.
 BID NO: 9815-12011-276
 REQ. NO: N/A
 TITLE: RECONDITIONING & REFURBISHING OF
 TRUCKS

ITEM #	ARTICLE	UNIT	1		2		3		4		5		6		7		8		9		10		11		12		13		DETAILS OF AWARD
			TRIPORT INTERNATIONAL	NASSAU SUFFOLK TRUCK	AWARD TO NO.	AMOUNT																							
	LABOR	\$	45.00																										
	EMERGENCY ROAD SERVICE LABOR RATE	HR.	45.00	69.00																									
	PICKUP & DELIVERY	EA WAY	NC	NC																									
B1	MINIMUM CALL OUT CHARGE (IF ANY)	\$	45.00	NC																									
B2	REGULAR HOURLY RATE	HR.	45.00	58.75																									
B3	EACH ADDITIONAL 1/4 HOUR	1/4 HR.	11.25	19.25																									
B4	TRAVEL TIME (IF ANY)		0.00	0.00																									
B5	MILEAGE (IF ANY)		0.00	0.00																									
PARTS B6	MANUFACTURER'S LIST PRICE LESS	%	20%	5%																									
B7	COST PLUS	%	10%	24%																									
OVERTIME B8	MINIMUM CHARGE (IF ANY)	\$	0.00	0.00																									
B9	REGULAR HOURLY RATE	HR.	45.00	58.75																									
B10	EACH ADDITIONAL 1/4 HOUR	1/4 HR.	11.25	19.25																									
PREPARED BY		TERMS	NET	1%																									

Wivan Crowley hereby certifies that the bids listed above were opened at the time and place specified therein and that the above is a correct transcription from all original bids received.

Date 12/1/11 *Wivan C. Crowley*
 PUBLIC BID OFFICER

Findings and Recommendations

EXHIBIT 4D
 BLANKET PURCHASE ORDER WITH NST

BLANKET PURCHASE ORDER

 BPO ID: BPMCL1000418 PRINT DATE: 07/22/2014 PAGE: 02

1	910-76	EA	58.7500
	WELDING MAINTENANCE AND REPAIR SERVICES		

PLAN "B" TIME & MATERIAL LABOR BETWEEN THE HOURS OF 9 A.M. AND 5 P.M.
 MONDAY THROUGH FRIDAY:

MINIMUM CHARGE-----NONE
 REGULAR HOURLY RATE-----\$58.75 PER HOUR.
 TRAVEL TIME-----NONE
 MILEAGE-----NONE

PARTS:
 MFG. LIST PRICE (MLP) LESS-----11%
 COST PLUS A PERCENTAGE (%)-----25%

WARRANTY PERIOD: ON SERVICE, REPAIR RENDERED
 PARTS: 90 DAYS
 LABOR: 90 DAYS

2	910-76	EA	19.2500
	WELDING MAINTENANCE AND REPAIR SERVICES		

PLAN "B" TIME & MATERIAL-LABOR BETWEEN THE HOURS OF 9 A.M. AND 5 P.M.
 MONDAY THROUGH FRIDAY:

EACH ADDITIONAL QUARTER HOUR-----\$19.25 PER QTR. HOUR

3	910-76	EA	58.7500
	WELDING MAINTENANCE AND REPAIR SERVICES		

PLAN "B" TIME & MATERIAL-OVERTIME RATES: ALL OTHER TIMES AFTER 5 P.M.
 OR BEFORE 9 A.M. MONDAY THROUGH FRIDAY, OR ANY TIME ON
 SATURDAY OR SUNDAY.

4	910-76	EA	19.2500
	WELDING MAINTENANCE AND REPAIR SERVICES		

PLAN "B" TIME & MATERIAL-OVERTIME RATES: ALL OTHER TIMES AFTER 5 P.M.
 OR BEFORE 9 A.M. MONDAY THROUGH FRIDAY, OR ANY TIME ON
 SATURDAY OR SUNDAY.

EACH ADDITIONAL OVERTIME HOUR--\$58.75 PER HOUR.

5	910-76	EA	19.2500
	WELDING MAINTENANCE AND REPAIR SERVICES		

OVERTIME RATES: ALL OTHER TIMES APTE 5PM OR BEFORE 9AM MONDAY THROUGH
 FRIDAY, OR ANY TIME ON SATURDAY OR SUNDAY.
 EACH ADDITIONAL QUARTER HOUR @ \$19.25/ 1/4 HOUR

Findings and Recommendations

BLANKET PURCHASE ORDER

BPO ID: BPNC11000418 PRINT DATE: 07/22/2014 PAGE: 03

ITEM	COMMODITY ID	MAX QUANTITY	U/M	UNIT COST
6	910-76		EA	
WELDING MAINTENANCE AND REPAIR SERVICES				
MATERIALS COST PLUS 24%				
LIST MINUS 5%				
EMERGENCY ROAD SERVICE LABOR 69.00 PER HOUR				
END OF ITEM LIST				

TERMS:

TITLE: RECONDITIONING AND REFURBISHING OF COUNTY TRUCKS

AUTHORITY: AWARDED UNDER SEALED BID #9815-12011-276 AFTER PUBLISHED NOTICE.

*****: RULES RESOLUTION 210-2013

THE COUNTY OF NASSAU (HEREINAFTER CALLED THE COUNTY) REPRESENTED BY THE DIRECTOR, OFFICE OF PURCHASING, (HEREINAFTER CALLED THE DIRECTOR), AND THE INDIVIDUAL, PARTNERSHIP, JOINT VENTURE OR CORPORATION NAMED ABOVE (HEREINAFTER CALLED THE CONTRACTOR) MUTUALLY AGREE TO PERFORM THIS CONTRACT IN STRICT ACCORDANCE WITH THE GENERAL PROVISIONS ATTACHED HERETO AND THE SPECIFICATIONS, TERMS AND CONDITIONS CONTAINED HEREIN.

WORK TO BE PERFORMED FOR: VARIOUS NASSAU COUNTY AGENCIES

PERIOD COVERED: SHALL BE FOR ONE (1) YEAR FROM THE EFFECTIVE DATE WITH AN OPTION BY THE COUNTY OF NASSAU TO EXTEND THE BLANKET PURCHASE ORDER UP TO AN ADDITIONAL TWO (2) YEAR PERIOD AT UP TO ONE (1) YEAR OPTIONS. HOWEVER, THE TERMINATION OF THIS CONTRACT MAY BE FURTHER EXTENDED UP TO TWO (2) MONTHS BEYOND THE TERMINATION DATE STATED HEREIN.

THE MAXIMUM PERIOD OF THIS CONTRACT WITH OPTIONS RENEWED SHALL BE THREE (3) YEARS, AND, IF THE FURTHER EXTENSION IS APPLIED, UP TO THREE (3) YEARS AND TWO (2) MONTHS.

<< CONTINUED, NEXT PAGE >>

Findings and Recommendations

Other Observations

- NST has used five different names and three different tax IDs:
 - a. Nassau Suffolk Trucks (NST)
 - b. Plug In Trucks
 - c. Big Trucks Group LTD
 - d. Exit 55 Truck Incorporated
 - e. NY Municipal