

DeKalb County

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Department of Finance
Internal Audit and Licensing

January 30, 2009

TO: Kelvin Walton, Acting Director of Purchasing
FROM: Deputy Director of Finance, Internal Audit & Licensing
SUBJECT: Payments to Visual Lexicon and Shawn J. Givens

General Information

Internal Audit conducted a review of payments DeKalb County Government made to Visual Lexicon, LLC and Shawn J. Givens during the period September 25, 2006 through January 16, 2009. During this period, Visual Lexicon was paid \$16,325.52 for various marketing projects; Shawn J. Givens was paid \$1,550 for marketing consulting; and later paid \$37,168.46 in a temporary part-time position. These were all grant funds through DeKalb Workforce Development.

Purpose and Scope

The purpose of the review was to determine if the purchasing procurement policies and procedures were followed, and also, if the Administrative Procedures to the DeKalb County Code/Personnel chapter were followed.

We reviewed purchase requisitions, purchase orders, vendor invoices, AP checks, and payroll checks. We conducted such audit tests and procedures as were deemed necessary.

We reviewed invoices to determine if there was a conflict of interest. We reviewed the purchasing policy to determine if there was any violation.

Opinion

In our opinion, purchases that occurred subsequent to the temporary employee status could be perceived as a conflict of interest or has the potential to become one. Also, there was violation of the FPR policy as mentioned in the observation below.

Observations

Prior to Shawn Givens employment with the County effective September 10, 2007, Visual Lexicon was paid \$13,676.89. His name appeared as the sales representative on the Visual Lexicon invoices. After he became a temporary employee with the County, Visual Lexicon was paid \$2,648.63. Starting in November 2007, the sales representative on the Visual Lexicon invoices was shown as SJG. There are no County services contracts with either Shawn J. Givens or Visual Lexicon.

The DeKalb County Purchasing Administration Policy governing Financial Payment Request (FPR) is limited to specific payments, including advertisements. FPRs should not be used to procure operating supplies. Some Visual Lexicon payments could be classified as advertisement expenses. Other payments appear to be for marketing supplies; such as DVDs, stock photos, oversized check, U/V coated cards, printer ink, and Kinkos printing services. Using a FPR for this type of purchase is not appropriate.

The business address listed for Visual Lexicon on their website is 2480 Suite 4 Briarcliff Road. The vendor's address on their invoices and in Oracle is P.O. Box 160247, however all checks were sent to or picked up by Workforce Development.

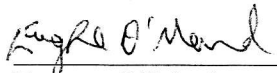
Conclusion

The temporary employee who is on the County's payroll is the representative, or possibly the owner, of Visual Lexicon that is doing business with the same department for which he is working. That situation is a potential conflict of interest. Also, we do not know when that temporary employee status will terminate. It has already exceeded six months.

The payment of invoices for marketing supplies via FPR was a violation of the purchasing policy.

Recommendation

Workforce Development should immediately cease doing business with Visual Lexicon. Also, the purchasing policy should be strictly adhered to specifically as the policy relates to FPRs.


Eugene O'Mard

cc: Dr. Michael J. Bell, Director of Finance
Roberta L. Morris, Director, Workforce Development