

CITY OF CHATTANOOGA
RECORD OF AUDIT FINDING
(RAF #5)

**Police Aircard Inventory Management, Audit 14-03 W/P C-2.4, C-2.5, B-5.1,
B-6.22, B-6.23, E-26, E-27, E-28**

1. Summary of finding: Equipment assigned to four police personnel was not returned to the City when the individuals retired from the organization effective December 31, 2013.
2. Facts observed or test results: In February 2013, Police Chief Dodd approved the purchase of 5 iPads (including Targus slim cases) costing \$625 each. Per the justification form, the iPads were "needed for the Chiefs to communicate more proficiently in the field." Four of the five police chiefs retired in December 2013.

Based on the SME inventory submitted in April 2014, the iPads were still in the possession of the Police Department. Auditor performed a physical inventory of all items located at the Police Technology Division on August 8, 2014. Auditors found 8 aircards in the locked cage and two Xoom tablets located in Sgt. Ramsey's locked cabinet. At the physical inventory, Sgt. Ramsey confirmed no other tablets had been turned in and they had not surplus any tablets.

During the RAF meeting and discussion about tablets, A/C Maffett provided a statement about some iPads IA had noted were not present during previous test work during this audit. Maffett informed the auditor that the retiring Police Chief and three retiring Assistant Chiefs kept their iPads after retiring in December. He stated he was under the impression approval was received from the Mayor's office. He recalled receiving email or text messages indicating the retiring chiefs were attempting to obtain approval. Maffett was unable to locate any email or text documenting an actual approval. SEE
B-5.3

Auditor examined the billing statements to determine if and when the iPad devices were removed from the account. Per the billing statements, all four of the iPad devices were disconnected as of February 7, 2014 and partial credit for services was received from Verizon. Review of the bills also indicates usage on the devices during the month of January 2014.

3. Criteria (directives or procedures involved): T.C.A. 6-54-125 prohibits municipal officials and employees from purchasing surplus property, except at public auction. City Code Sec. 2-194 states "no city employee shall, without the consent of the city council, receive any money or gratuity or compensation in addition to his/her salary for any service he/she may render as an employee." T.C.A. 39-16-402 official misconduct.¹
4. Causes (may be eliminated if self-evident): The retiring police chief and 3 retiring assistant chiefs retained city property for personal use without City Council approval. The Police Department certified and submitted an inaccurate inventory listing to Finance in April 2014 indicating the iPads were physically accounted for in the inventory process. The inclusion of the iPads on the inventory listing indicates the department either (1) failed to perform the required inventory inspection or (2) knowingly submitted a falsified inventory report.

¹ See also references in other RAFs to the city purchasing manual (surplus required to go through Purchasing Division) and HR – terminations require turning in city issued equipment.

updated
9-26-14
RAFS 1/2

5. Effect: City-owned equipment was misappropriated. The Police Department included the equipment and certified the equipment was still in the department's possession even though the retired personnel had not returned the property.
6. Recommendation: We recommend the Police Department request the return of said equipment and consult with the City Attorney regarding any legal actions Administration deems necessary. In addition, we recommend the Police Department ensure personnel are performing, at a minimum, the annual physical inventory as required by State laws and City policies.
7. Same finding disclosed in last audit: N/A Yes No
8. Report Reference: Finding 5 on Page 7 or Passed ___ (see reason below) by _____.
9. Discussions with auditee as to finding and recommendation:

	<u>Name</u>	<u>Title</u>	<u>Date</u>
1)	<u>Travis McDonough</u> <u>Fred Fletcher</u>	<u>Chief of Staff</u> <u>Chief of Police</u>	<u>9-22-14</u> <u>9-23-14</u> (Per Travis McDonough)
	Agree with finding and recommendation?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Not Sure
2)	<u>STAN MAFFETT</u>	<u>Asst. Chief of Police</u>	<u>9-26-14</u>
	Agree with finding and recommendation?	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Not Sure

10. Comments: Correspondence indicates the then Chief of Police, Bobby Dodd, had inquired of the City's Chief Operating Officer about the possibility of him and the other retiring assistant chiefs keeping the iPads.

The then Chief stated in a December 19, 2013 email that the iPads were "almost 2 years old now." However, the Chief had purchased the iPads just 10 months prior. In this same email, the Chief also stated "I believe we originally paid \$300 for them..." However, the iPads cost over \$600 each. Neither CPD staff nor the Mayor's Office has any documented communication authorizing the chiefs to keep the City issued iPads. The City's Chief Operating Officer at the time stated he **does not recall** giving a verbal authorization. He further stated he did not reply to the email requests from the Chief.

In an email from then Chief Bobby Dodd to Assistant Chief Tom Kennedy dated December 31, 2013 at 2:57 PM (their final day of employment with the City), Chief Dodd acknowledges they have not yet received an approval from the Chief Operating Officer.

On January 9, 2014 retired chief Dodd sent a text to the three retired assistant chiefs who had taken the city iPads (Tom Kennedy, Randy Dunn and Kirk Eidson), as well as then interim chief Stan Maffett stating "I finally got an answer from Jeff Cannon about him working to surplus the iPads so the chiefs can keep them...and he will send an email to Chief Maffett stating this." There does not appear to be any such email. And, this tends to indicate that even if there were, they had taken the iPads 9 days prior.