

EUB Chairman

From: Lee Ann Dumbauld [<mailto:LDumbauld@mail.ci.lubbock.tx.us>]
Sent: Wednesday, February 20, 2013 9:09 AM
To: Glen Robertson; Marc McDougal; gkring@pycoindustries.com
Cc: kkemp@bkd.com; rtrice@lubbockcpa.com; Gary Zheng; Pam Moon
Subject: CII Cardinal

Nearly \$1.5 million has been spent with CII Cardinal since January 2011. The contract ratified expenditures that date back to January 2011. This crosses TWO fiscal years where the books and records are closed, and audited. This contract has NO terms, pricing, or schedule of charges. There are no deliverables. There is no possible way to audit this contract or review expenditures for appropriateness. This contract was not sent out for bid or for RFP. I told the City Council last year that I was very concerned about signing the financial statements for the City, which includes LPL, because of LPL's lack of internal controls. Although we have met in small groups (board and staff) many times, apparently, nothing is resolved. I am asking BKD to spend additional time over the next two weeks to look at LPL procurement before I issue these financial statements to the City Council. I have to sign a 9-page disclosure letter making certain representations that I am not going to sign without additional testwork completed by BKD.

<CII Cardinal.xlsx><CII-Cardinal Industries Contract.pdf>