

# AUDIT REPORT

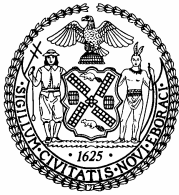


CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF MANAGEMENT AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Audit Report on the Procurement Practices of the Campaign Finance Board**

**MH07-101A**

**June 11, 2007**



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

---

WILLIAM C. THOMPSON, JR.  
COMPTROLLER

**To the Citizens of the City of New York**

Ladies and Gentlemen:

In accordance with the responsibilities of the Comptroller contained in Chapter 5, §93, of the New York City Charter, my office has audited the compliance of the Campaign Finance Board (CFB) with applicable procurement procedures.

Among its responsibilities, CFB administers the Campaign Finance Program, publishes the City Voter Guide, and ensures compliance with campaign contribution limits. We audit agencies such as this to ensure that they comply with City procurement rules and are accountable for the use of City funds.

The results of our audit, which are presented in this report, have been discussed with CFB officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at [audit@Comptroller.nyc.gov](mailto:audit@Comptroller.nyc.gov) or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in cursive script that reads "William C. Thompson, Jr.".

William C. Thompson, Jr.

**Report:** MH07-101A  
**Date:** June 11, 2007

# Table of Contents

<b>AUDIT REPORT IN BRIEF .....</b>	<b>1</b>
Audit Findings and Conclusion .....	1
Audit Recommendations.....	2
CFB Response.....	2
<b>INTRODUCTION.....</b>	<b>3</b>
Background.....	3
Objective.....	3
Scope and Methodology .....	3
Discussion of Audit Results.....	6
<b>FINDINGS AND RECOMMENDATIONS .....</b>	<b>7</b>
CFB Generally Complied with Applicable Procurement Procedures.....	7
Split Purchases Used to Circumvent Procurement Requirements .....	8
Recommendation .....	10
Lack of Written Policies and Procedures.....	11
Recommendation .....	11
<b>ADDENDUM</b>	

*The City of New York  
Office of the Comptroller  
Bureau of Management Audit*

**Audit Report on the Procurement Practices  
Of the Campaign Finance Board**

**MH07-101A**

---

**AUDIT REPORT IN BRIEF**

This audit determined whether the Campaign Finance Board (CFB) makes Other Than Personal Service (OTPS) expenditures in accordance with applicable procurement procedures, including the Procurement Policy Board (PPB) rules and Comptroller's directives. CFB is an independent, nonpartisan agency that administers the Campaign Finance Program, publishes the City Voter Guide, oversees the Debate Program, and ensures that all candidates for municipal office comply with campaign contribution limits. During Fiscal Year 2006, CFB's budget was approximately \$38.6 million, consisting of \$27.6 million for election funding, \$3.9 million for Personal Service (PS) expenditures, and \$7.1 million for OTPS expenditures.

**Audit Findings and Conclusion**

CFB generally complied with applicable procurement procedures, including PPB rules and Comptroller's directives. For our sampled payments:

- Items purchased were necessary for CFB office operations;
- Vouchers and corresponding purchase documents were properly approved, and amounts paid to vendors were accurately calculated;
- Appropriate documentation to support each payment was maintained in CFB files
- Sales taxes were excluded; and
- Voucher packages were time-stamped and stamped "vouchered."

However, CFB had two internal control weaknesses that should be addressed: use of split purchases to circumvent procurement policies, and the lack of in-house written policies and procedures.

### **Audit Recommendations**

We make two recommendations that CFB should:

- Ensure that all applicable PPB rules and Comptroller's Directive #24 are followed when procuring goods and services.
- Consider developing a comprehensive written policies and procedures manual that addresses all internal processes and functions regarding procurement and is distributed to appropriate employees.

### **CFB Response**

In their response, CFB officials generally agreed with the audit's recommendations.

## **INTRODUCTION**

### **Background**

The New York City Campaign Finance Board (CFB) was created in 1988 as an independent, nonpartisan City agency. CFB has four primary mandates:

- Administering the Campaign Finance Program by issuing public matching funds to participating election campaigns that comply with the program's requirement;
- Publishing the New York City Voter Guide, a non-partisan booklet containing information on municipal candidates and ballot proposals for both primary and general elections;
- Overseeing the Debate Program for candidates in the Campaign Finance Program who are running for citywide offices of mayor, comptroller, and public advocate, and;
- Ensuring that all candidates for municipal office, whether program participants or non participants, comply with campaign contribution limits and provide detailed campaign finance disclosures.

For Fiscal Year 2006, the CFB's expenditures and transfers totaled approximately \$38.6 million, consisting of \$27.6 million for election funding, \$3.9 million for Personal Service (PS), and \$7.1 million for Other Than Personal Service (OTPS) expenditures. The OTPS expenditures consisted of purchases of supplies, materials, and contractual and other services required to support the operation of the CFB.

### **Objective**

To determine whether the CFB's OTPS expenditures are made in accordance with the applicable procurement procedures, including the City's Procurement Policy Board rules (PPB), and the Comptroller's Internal Control and Accountability Directives (Directives).

### **Scope and Methodology**

The scope period covered by our audit is July 1, 2005, through June 30, 2006 (Fiscal Year 2006).

We reviewed Chapters 3 and 4 of the PPB rules and applicable Comptroller's Directives that were used as criteria. The Directives included:

- Directive #1, "Agency Evaluation of Internal Controls,"
- Directive #3, "Procedures for the Administration of Imprest Funds,"
- Directive #6, "Travel, Meals, Lodging, and Miscellaneous Agency Expenses,"

- Directive #24, “Agency Purchasing Procedures and Controls,” and
- Directive #30, “Capital Assets.”

To gain an understanding of CFB’s internal controls over its procurement procedures, we interviewed CFB officials and staff members, and conducted several walkthroughs of the procurement process.

We obtained a printout of CFB’s OTPS payments from the City’s Financial Management System (FMS) for Fiscal Year 2006. The list consisted of 834 payment vouchers totaling \$7 million, which included 715 general purchase payment vouchers (PVE), 70 miscellaneous payment vouchers (PVM), and 46 reimbursement vouchers (PVR). (Three payment-vouchers were eliminated from the population because they had no dollar value.)

To target our testing to higher dollar-value vouchers, we excluded 183 PVEs and 23 PVMs that were each less than \$250, as well as 33 PVRs that were each less than \$200. As a result, the total voucher population available for testing was 592. This included 532 PVEs, 47 PVMs and 13 PVRs. We randomly selected a sample of 50 PVE, 30 PVMs, and all 13 PVRs from those 592 vouchers.

Table I, below, lists the individual categories of vouchers and the corresponding sample we selected and reviewed.

**Table I**

Fiscal Year 2006 Payment Vouchers

Purchase Category	Population		Sample	
	Number of Vouchers	Dollar Amount	Number of Vouchers	Dollar Amount
PVE	532	\$5,160,328.18	50	\$71, 254.25
PVM	47	\$1,851,272.92	30	\$1, 840, 756.87
PVR	13	\$3, 834.39	13	\$3, 834.39
<b>Total</b>	<b>592</b>	<b>\$7, 015, 435.49</b>	<b>93</b>	<b>\$1, 915, 845.51</b>

For each voucher in our sample, we reviewed applicable supporting documentation to determine whether:

- correct object codes were used;
- miscellaneous vouchers were used correctly;
- funds were used to replenish the imprest fund;
- sales taxes were properly excluded;
- authorized signatures appeared on all pertinent documents;

- purchase documents were appropriately prepared and approved;
- there was evidence that transactions were for proper business purposes; and
- proper payment was made for goods and services once received by the agency.

In addition, the 50 PVEs totaling \$71, 254 were reviewed to determine whether bids were solicited when required and contracts were properly registered. We also assessed whether payment voucher preparation and payment voucher approval duties were adequately segregated.

To determine whether CFB split purchases by using multiple purchasing documents to circumvent threshold for purchase amounts in the PPB rules and Comptroller's Directive #24, the total population of payment vouchers was sorted according to vendor. Using the various purchase documents based on the purchase dollar limits, the sort showed a total of 86 vendors from whom CFB made purchases totaling approximately \$7 million.

The purchase document for each vendor was reviewed to determine whether multiple purchase documents were used to split the purchase. Vendors who were paid using multiple purchase documents and had an aggregate amount that required the use of another purchase document were identified. Additionally, vendors that may have had the same regularly scheduled payment amounts were also identified. From the population of 86 vendors, we judgmentally selected the six vendors who were shown to have an aggregate amount that exceeded the purchase dollar limit based on the purchase document that was prepared. In a meeting with CFB officials, we provided a list of the six vendors shown to exceed the purchase dollar limit; and we requested the reasons for using multiple purchasing documents.

To assess the internal controls over CFB's inventory, CFB's 2006 Comptroller's Directive #1 Financial Integrity Statement filing was reviewed, specifically the inventory section, Part F. Since there were only two purchases out of the 843 payment vouchers processed in Fiscal Year 2006 that, based on their object codes, required inclusion on an inventory list, we expanded our sample. We requested that CFB provide a list of all inventory items acquired by CFB for its operation. From a population of 243 inventoried items, a sample of 30 items was selected and a physical inventory of these 30 items was performed.

The results of the above tests, while not projected to their respective populations, provided a reasonable basis to assess the CFB's procurement and internal controls over its OTPS expenditures.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. The audit was performed in accordance with the audit responsibilities of the City Comptroller, as set forth in Chapter 5, §93, of the New York City Charter.



## **Discussion of Audit Results**

The matters covered in this report were discussed with CFB officials during and at the conclusion of this audit. A preliminary draft report was sent to CFB officials on April 26, 2007, and was discussed at an exit conference held on May 7, 2007. On May 10, 2007, we submitted a draft report to CFB officials with a request for comments. We received a written response from CFB officials on May 24, 2007. In their response, CFB officials generally agreed with the audit's recommendations.

The full text of the CFB comments is included as an addendum to this report.

## **FINDINGS AND RECOMMENDATIONS**

CFB generally complied with the applicable procurement procedures, as specified in the PPB rules and Comptroller's Directives. For our sampled payments:

- Items purchased were necessary for CFB office operations;
- Vouchers and corresponding purchase documents were properly approved, and amounts paid to vendors were accurately calculated;
- Appropriate documentation to support each payment was maintained in CFB files;
- Sales taxes were properly excluded; and
- Voucher packages were time stamped and stamped "vouchered."

However, CFB had two internal control weaknesses that should be addressed: use of split purchases to circumvent procurement policies and the lack of in-house written policies and procedures.

### **CFB Generally Complied with Applicable Procurement Procedures**

According to Comptroller's Directive #24, a payment voucher document authorizes payment to a vendor for goods and services purchased by an agency. CFB issues three types of payment vouchers for payments to vendors. PVEs are used to make payment on a purchase document or contract document associated with general purchases from vendors. PVMs are also used for general purchases, but only when the estimated or actual future liability is not determinable or when a contract or a purchase document is either not required or not applicable. The directive also indicates when the use of PVMs is and is not allowed. PVRs are used to replenish the CFB's imprest fund account.

Our sample of 93 payment vouchers valued at \$1.9 million had all the appropriate approvals and authorizations. All items purchased were necessary for CFB daily operations; the amounts paid to the vendors were accurately calculated; and sales taxes were correctly excluded. Additionally, documentation to support these payments was maintained in CFB files.

Purchase documents are used to record the accounting practices associated with the purchases. PDs are used for purchases of \$5,000 or less. PCs are used for purchases of \$10,000 or less. CTs are used for purchases of \$10,000 or more.

Of our 93 sampled payment vouchers, there were 50 PVEs totaling \$71,254. All 50 PVEs had the appropriate authorized purchase document on file, and when bids were required, they were on file. Of the 50 PVEs, 17 totaling \$39,882 were payments against nine contracts. Six of the nine contracts were exempt from bidding (for instance, one contract was a lease agreement

negotiated by the Department of Citywide Administrative Services). The remaining three contracts that were not exempt from bidding had the required bidding documents.

**Procurement Weaknesses**

**Split Purchases Used to Circumvent Procurement Requirements**

Section 4.5 of Comptroller’s Directive #24 states that City agencies may not artificially split purchases by the use of purchase documents (PC and PD) when an FMS contract document is required. Additionally, §3-08 of the PPB rules requires that for procurements exceeding the small purchase limit of \$5,000, artificially dividing a procurement in order to circumvent the bidding requirement rules is prohibited.

We judgmentally selected six vendors from whom purchases by CFB for various goods and services seemed to be split to circumvent purchasing requirements. CFB used 151 various purchasing documents to make purchases totaling \$135,276. Purchases included car service; toner for printers; electrical, painting, and plumbing services; data storage; and services of an expert stenographer. We determined that all 151 purchases made by CFB represented split purchases for which the bidding requirement for purchases exceeding \$5,000 or the creation of a CT for purchases exceeding \$10,000 had not been followed. Table II shows the six vendors along with a summary of the purchases made:

**Table II**

Summary of Split Purchases

<b>Vendor</b>	<b>Type of Document Used*</b>	<b>Number of Purchases</b>	<b>Total Dollar Amount</b>	<b>Type of Service</b>
Paul Becker LLC	PC & PD	33	\$40, 254.50	Stenography
Guarantee Records Management	PC	26	\$30, 176.60	Data Storage
AT&T Corp	PC & PD	17	\$17, 878.08	Local Loop
Browne Affiliates Inc.	PC & PD	5	\$17, 255.00	Construction/ Electrical
The Weeks-Lerman Group LLC	PD	30	\$17, 157.09	Supplies
Crosstown Limousine Service, Inc.	PD	40	\$12, 555.09	Car Service
<b>Total</b>		<b>151</b>	<b>\$135, 276.36</b>	

\*PD- Micro Purchase Document (purchases<=\$5,000)

PC-Small Purchase Document (purchases <=\$10,000)

For Paul Becker LLC, CFB used its services for a stenographer to transcribe and document its meetings. CFB officials stated that they had never used this service before and could not anticipate how much time the service would be needed since the costs were driven by

the length of the meetings, which was determined by how long participants talked. CFB has consistently used stenographic services for more than two years and should have anticipated that future need would be substantial enough to warrant solicitation of bids to ensure that it paid a competitive price.

**CFB Response:** “Paul Becker LLC is a stenographic service used by the Board during its public board meetings. The work of the Campaign Finance Board is cyclical with election years generating a higher level of use for this type of service. The CFB, however, underestimated the need during the fiscal year in question. The agency’s implementation plan will be to bid out this service as a multi-year contract or use an existing New York State contract.”

For the vendor Guarantee Records Management, CFB used its services for data storage i.e., tape storage in climate-controlled vaults and the storage of paper records in a warehouse. CFB officials stated that they viewed the services provided through Guarantee Records Management as two separate types of service that were each within the spending limits. However, since both types of data storage service are rendered by the same vendor, CFB should have assessed its need for data storage and solicited bids to select a vendor, as they had spent well over \$10,000 by December 2005.

**CFB Response:** “Guarantee Records Management stores and transports the CFB paper files . . . as well as . . . the CFB back-up computer tapes as a business continuity practice. The CFB underestimated the number of paper files that needed to be delivered back and forth between the CFB offices and the storage facility. The CFB’s agency implementation plan will be to bid this contract out acknowledging that such a bid will have to include moving the files that are currently housed at GRM to the storage facility of a competing vendor which might create a non-competitive situation for any vendor other than GRM.”

For vendor AT&T Corp., CFB used its services for a “local loop” connection. This is a physical link that connects from the demarcation point of the customer premises to the edge of the carrier, or telecommunications service provider, network. Officials stated that since they receive services from AT&T through a State requirement contract, they were not aware before using the contract that the contract did not cover this type of service. Once CFB was made aware of this issue, they should have negotiated a contract with AT&T to include services for the local loop. This could have resulted in cost savings and avoided using numerous PCs and PDs.

**CFB Response:** “CFB did negotiate with AT&T for this service and as a result received a 43 percent reduction from the standard charge of \$496.96 per line, per month to a price of \$280.50 per line, per month.”

CFB used vendor Browne Affiliates Inc., for various electrical, painting and plumbing services and used four PDs, each valued at less than \$5,000. According to CFB, since its building does not provide electrical, painting, and plumbing services, it created a blanket order with Browne Affiliates to provide these services. By January 2006 (seven months into the fiscal year),

CFB had spent more than \$10,000; it should have better assessed its needs and solicited bids to select a vendor.

**CFB Response:** “CFB has a blanket order with Brown Affiliates, Inc. for small repairs that need to be made during the year. However, a few projects, including necessary electrical upgrades, arose throughout the year. These were larger than the blanket order could accommodate. The CFB’s agency implementation plan will be to try to access more accurately its construction needs.”

CFB purchased office supplies from The Weeks-Lerman Group LLC, and used 30 PDs, each valued at less than \$5,000. CFB stated that they have a blanket order with this company to provide supplies that were not available through the City contract with Staples. By October 2005 (four months into the fiscal year), CFB had exceeded \$5,000 in expenditures. Further, CFB has been using this vendor since Fiscal Year 2000 and should have reasonably anticipated the amount of office supplies needed to carry out the daily functions of the organization.

**CFB Response:** “CFB underestimated the supplies needs covered under this contract. The agency’s implementation plan will be to bid out the contract for office supplies.”

For vendor Crosstown Limousine Services Inc., CFB officials told us that any employee, who works a minimum of three hours exceeding normal work hours may receive car service and that there is no way to anticipate accurately how much the car service will be used. However, by September 2005 (three months into the fiscal year), CFB’s expenditures exceeded \$5,000. The agency should have reviewed previous car service use to determine the estimated amount of car service needed and then should have solicited bids to ensure that it paid a competitive price.

**CFB Response:** “The Board’s work is cyclical, so while September is early in the fiscal year, it is fairly late in the election cycle. This service is used most often between the months of July and November. The CFB did not anticipate that it would be using this service to any great extent for the remainder of the fiscal year. The agency’s implementation plan will be to bid out this service in future election years.”

Artificially splitting purchases by the use of multiple purchase documents may prevent CFB from selecting the most responsible vendors with the most reasonable prices. This practice also undermines the entire procurement process, which includes: competition, vendor background checks, and registration by the Comptroller’s Office. CFB must comply with the PPB rules to ensure that its procurement process is conducted in a fair and competitive manner.

### **Recommendation**

1. CFB should ensure that all applicable PPB rules and Comptroller’s Directive #24 are followed when procuring goods and services.

**CFB Response:** CFB officials generally agreed with the recommendation and stated that they will implement plans to solicit bids for contracts, when applicable.

## **Lack of Written Policies and Procedures**

At the beginning of the audit, we requested copies of CFB's written policies and procedures concerning procurement policies and procedures. CFB officials informed us that CFB followed the PPB rules and that CFB had no written procedures of its own. Therefore, we had to ascertain through interviews with applicable staff members the processes followed by CFB for the sampled purchasing and vouchering functions. Nonetheless, CFB indicated in its Comptroller's Directive #1 2006 Financial Integrity Statement filing that it has written policies and procedures that are part of its operating procedures.

Comptroller's Directive #1 states, "Internal controls should be documented in management administrative policies or operating manuals." Written procedures provide an agency added assurance that every employee involved in a process clearly understands the tasks that are to be accomplished and the acceptable methods to be used when performing these tasks. By failing to maintain written policies and procedures for the procurement process, management is hindered in its efforts to ensure that policies and procedures are properly communicated.

CFB does not have written guidelines of its workflow, nor does it have descriptions of tasks for those individuals assigned different responsibilities, such as preparing payment authorization vouchers or authorizing transactions. Because CFB does not maintain written policies and procedures, it is hindered in ensuring that personnel have adequate guidance in carrying out their assigned duties.

### **Recommendation**

2. CFB should consider developing a comprehensive written policies and procedures manual that addresses all internal processes and functions regarding procurement and is distributed to appropriate employees.

**CFB Response:** CFB agreed stating, "CFB has drafted those procedures and is in the process of finalizing and distributing them to all appropriate employees."



**New York City  
Campaign Finance Board**

40 Rector Street, New York, NY 10006  
tel. 212.306.7100  
fax 212.306.7143  
www.nyccfb.info

Frederick A.O. Schwarz, Jr.  
Chairman

Dale C. Christensen, Jr.  
Katheryn C. Patterson  
Mark S. Piazza  
Members

Amy M. Loprest  
Executive Director

Carole Campolo  
Deputy Executive Director

Sue Ellen Dodell  
General Counsel

May 24, 2007

Hon. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
The City of New York  
Office of the Comptroller  
1 Centre Street  
New York, NY 10007

Dear Comptroller Graham:

Please find below the New York City Campaign Finance Board's (CFB or Board) comments regarding the draft Audit Report on the Procurement Practices of the Campaign Finance Board MH07-101A received by the Board on May 10, 2007.

Board staff met with staff from the Comptroller's office on May 7, 2007 to discuss the preliminary draft audit report. We found the Comptroller's staff to be highly professional and indeed, we appreciate their acknowledgement of the cooperation of CFB staff during the audit process.

The draft report has two findings of internal control weaknesses which we address in turn.

**SPLIT PURCHASES**

**Paul Becker LLC** – Paul Becker LLC is a stenographic service used by the Board during its public board meetings. The work of the Campaign Finance Board is cyclical with election years generating a higher level of use for this type of service. The CFB, however, underestimated the need during the fiscal year in question. The agency's implementation plan will be to bid out this service as a multi-year contract or use an existing New York State contract.

**Guarantee Records Management (GRM)** – Guarantee Records Management stores and transports the CFB paper files because of lack of file space as well as a business continuity practice. In addition, GRM also stores and transports the CFB back-up computer tapes as a business continuity practice. The CFB has two separate contracts that distinguish between

the paper files and the tapes. The CFB underestimated the number of paper files that needed to be delivered back and forth between the CFB offices and the storage facility. The charges for this service can be expensive and they fluctuate from \$700 to about \$3,600 per month depending on the number of files and the frequency with which they get transported. The CFB's agency implementation plan will be to bid this contract out acknowledging that such a bid will have to include moving the files that are currently housed at GRM to the storage facility of a competing vendor which might create a non-competitive situation for any vendor other than GRM. In drafting our bid, we will look to the Comptroller's office and other agencies who may have experience in such a transition.

**AT&T** – The CFB has two separate contracts with this vendor. The contract for ISP services is from the New York State contract. The Local Loop connection between the CFB servers and the internet connection is not provided as part of the New York State contract, and this is covered in a separate contract. Because the ISP is provided by AT&T, the CFB has no choice but to use AT&T to provide the Local Loop.

The Comptroller's draft audit recommends that the CFB "negotiate a contract with AT&T to include services for the local loop." The CFB did negotiate with AT&T for this service and as a result received a 43 percent reduction from the standard charge of \$496.96 per line, per month to a price of \$280.50 per line, per month.

**Browne Affiliates, Inc.** – Brown Affiliates, Inc. is the former owner of the building and its knowledge of the building's electrical and plumbing systems far exceeds that of any other vendor. The CFB has a blanket order with Brown Affiliates, Inc. for small repairs that need to be made during the year. However, a few projects, including necessary electrical upgrades, arose throughout the year. These were larger than the blanket order could accommodate. The CFB's agency implementation plan will be to try to assess more accurately its construction needs.

**Weeks-Lerman Group LLC** – The CFB underestimated the supplies needs covered under this contract. The agency's implementation plan will be to bid out the contract for office supplies.

**Crosstown Limousine** – The draft audit notes that the CFB exceeded \$5,000 for this service by September, three months into the fiscal year, so it should have been aware of the need to bid the contract. As stated before, the Board's work is cyclical, so while September is early in the fiscal year, it is fairly late in the election cycle. This service is used most often between the months of July and November. Therefore, reaching \$5,000 by September of an election year would not ordinarily raise a warning that the cost of these services would exceed \$10,000. The CFB did not anticipate that it would be using this service to any great extent for the remainder of the fiscal year. As a comparison, this current fiscal year we have used less than \$3,000 year to date (May 2007). The agency implementation plan will be to bid out this service in future election years.



**LACK OF WRITTEN POLICIES and PROCEDURES**

The Board follows the Policy and Procurement Board (PPB) rules on purchasing. However, the Comptroller's audit recommended that the CFB develop written policies and procedures on internal processes and functions regarding procurement. The CFB has drafted those procedures and is in the process of finalizing and distributing them to all appropriate employees.

Thank you for the opportunity to respond to the audit. If you have any questions at all or need more information, please feel free to call me.

Sincerely,



Amy M. Loprest

c: CFB Boardmembers  
Carole Campolo  
ManWai Gin