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CONTROLLER GREUEL RELEASES AUDIT SHOWING CITY CAN'T FIND 45% OF ITEMS PURCHASED WITH TAXPAYER FUNDS

Hundreds of Other Items Purchased More Than a Year Ago, Sitting Unused

(Los Angeles) – City Controller Wendy Greuel released an audit today showing that various City departments could not locate hundreds of items purchased with taxpayer funds, and that hundreds of other items had been sitting unopened or unused for up to 7 years.

“With the City facing such a large budget deficit, it’s essential that any equipment that we are able to purchase is easily located if needed and utilized immediately. It’s critical that keep tight controls on the City’s scarce resources,” said City Controller Greuel.

“Unfortunately we found in this case that no one was minding the store.”

City Controller Greuel’s audit examined how the Department of Recreation and Parks (RAP), Bureau of Sanitation (BOS), and the Information Technology Agency (ITA) track equipment purchased with taxpayer funds. With the City facing a massive budget deficit, it is critical that any equipment purchased in the past is utilized immediately and easily located if needed. Overall, the audit found oversight of equipment location and use to be severely lacking.

Some of the audit’s findings included:

- Of 254 items that we attempted to locate, 115 were not where they should have been. While 56 items were ultimately found in the wrong location, 59 were unable to be located at a cost of \$938,000.
 - Some of the items that were never found included a video recorder purchased by ITA for almost \$60,000.
- Departments are supposed to conduct a physical inventory of items every two years to maintain accurate physical inventories of equipment. ITA and Sanitation have not conducted a review in at least 5 years and Recreation and Parks has not conducted a review of all items in at least 7 years.
- ITA and Recreation and Parks have 138 items that were purchased at least 1 year ago, still in warehouses or staging areas. These items are worth \$237,000, and some were purchased over 7 years ago.
 - Some of the items not placed into service included 9 microwaves, 1 deep fryer and 2 television sets by the Recreation and Parks Department and various computer equipment by ITA.

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