



# CALIFORNIA STATE AUDITOR

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# FACT SHEET

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Report: 2007-111

The California State Auditor released the following report today:

## California Highway Patrol

*It Followed State Contracting Requirements Inconsistently, Exhibited Weaknesses in Its Conflict-of-Interest Guidelines, and Used a State Resource Imprudently*

### BACKGROUND

Safety, security, and efficient transportation in California's highway system are the primary responsibilities of the California Highway Patrol (CHP). To carry out its responsibilities, the CHP incurs about \$400 million in operating expenses, including purchases such as vehicles, aircraft, electronics, handguns, uniforms, and maintenance. The State's procurement agency, the Department of General Services (General Services), has delegated purchasing authority to the CHP for certain purchases provided the purchase is within a specified dollar limit ranging from \$50,000 to \$3 million.

### KEY FINDINGS

Our review of the CHP's purchasing and contracting practices and use of state resources revealed the following:

- Justifications for making some purchases were weak, yet General Services approved the requests.
  - A \$6.6 million handgun contract was awarded despite an insufficient justification for the specific make and model requested, and despite the serious concerns the CHP's internal gun experts noted regarding safety.
  - Contrary to its own policies, General Services approved purchase documents for \$1.8 million of patrol car electronics that CHP submitted without a sufficient cost analysis.
- Several weaknesses related to conflicts of interest.
  - CHP's guidelines do not require every employee dealing with purchases to disclose financial interests.
  - CHP has not consistently reviewed its employees' outside employment as required by its procedures.
  - CHP estimates it incurred \$11.4 million in maintenance and other costs because General Services declared two statewide contracts for motorcycles void due to a General Services employee conflict of interest.
- CHP's policies governing the use of its eight-passenger aircraft were broad—only requiring one approval, yet CHP could not substantiate the approval each time it used it. Further, some of the uses were not prudent—14 of the 69 mission flights during 2006 did not align with the CHP's functions.
- CHP had information in 2005 that its private aircraft was not cost-effective, yet more than two years passed before it transferred the aircraft to another entity—costing the CHP about \$300,000 annually.

### RECOMMENDATIONS

Among the numerous recommendations we made, several relate to ensuring that the State receives the best products and services at the most competitive prices through improvements to CHP's purchasing practices and justifications in awarding contracts. In addition, we recommended that General Services revise guidelines it issues to state agencies for making purchases. Additionally, we recommended specific changes to CHP's policies and practices to protect against potential conflicts of interest.

