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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Northwestern State University
Natchitoches, Louisiana

May 6, 1998



Investigative Audit

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Legislative Auditor

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Northwestern State University

May 4, 1998



Investigative Audit
Office of the Legislative Auditor
State of Louisiana

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

May 8, 1998

DR. RANDALL J. WEBB, PRESIDENT
NORTHWESTERN STATE UNIVERSITY
Natchitoches, Louisiana

Transmitted herewith is our investigative report on Northwestern State University. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our finding and recommendation, as well as your response. Copies of this report have been delivered to the Honorable Van H. Kymr, District Attorney for the Tenth Judicial District of Louisiana, and others as required by state law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

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Executive Summary

Northwestern State University Investigative Audit Report

The following summarizes the finding and recommendation, as well as management's response that resulted from this investigation. Detailed information relating to the finding and recommendation may be found at the page number indicated. Management's response may be found at Attachment I.

Birdwell's Fire Extinguisher Service Appears to Have Received as Much as \$18,231 for Services Not Rendered

(Page 1)

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| Finding: | Mr. George Birdwell, owner and operator of Birdwell's Fire Extinguisher Service, Inc., (Birdwell's) failed to perform services as required under contract with Northwestern State University (NSU). Mr. Birdwell was aware that he had not replaced the fire links in the suppression systems and that he had not performed hydrostatic tests as required by the contracts. It appears that from 1985 through 1997, Birdwell's received as much as \$18,231 for services that were not rendered. |
| Recommendation: | We recommend that NSU establish and implement controls to ensure that contracted services have been received before payment by NSU is made. Finally, we recommend that the State Fire Marshal and the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution for services not rendered. |
| Management's Response: | The contract for fiscal year 1997-98 was awarded to a new contractor whose license has been received to assure the university of proper qualifications. The university has also instituted new policies and procedures to ensure that the finding does not occur in the future. |
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Background and Methodology

The Office of the Legislative Auditor received information indicating that certain improprieties might exist in the servicing of the fire extinguishers and fire suppression systems at Northeastern State University.

We conducted our investigation to obtain additional information regarding this allegation. Our procedures consisted of (1) interviewing employees and officials at the university; (2) interviewing other persons as appropriate; (3) examining selected documents and records of the university; (4) making inquiries and performing tests to the extent we considered necessary to achieve our purpose; and (5) reviewing applicable Louisiana and federal laws.

The results of our investigation are the finding and recommendation presented herein.

Finding and Recommendation

BIRDWELL'S FIRE EXTINGUISHER SERVICE APPEARS TO HAVE RECEIVED AS MUCH AS \$18,231 FOR SERVICES NOT RENDERED

Mr. George Birdwell, owner and operator of Birdwell's Fire Extinguisher Service, Inc., (Birdwell's) failed to perform services as required under contract with Northwestern State University (NSU). Mr. Birdwell was aware that he had not replaced the fuse links in the suppression systems and that he had not performed hydrostatic tests as required by the contracts. It appears that from 1985 through 1997, Birdwell's received as much as \$18,231 for services that were not rendered.

Mr. Birdwell was under contract with NSU to provide fire extinguisher service and maintenance beginning with fiscal year 1985 and continuing through fiscal year 1997. The contract for fiscal year 1997 signed by Mr. Birdwell states that the contractor "agrees to furnish all services, equipment, materials, et cetera, upon which the bid amount is based." The contracts for the other years contain similar wording.

Fuse Links

Under the terms of the contracts, the suppression systems on the Natchitoches campus are to be inspected semiannually and the fuse links in the suppression systems are to be changed semiannually.

The National Fire Protection Association (NFPA), whose Life Safety Code has been incorporated into Louisiana Law, requires that the metal alloy fuse links be stamped with the year of manufacture and be replaced every year. Our observation of the removal of 23 fuse links from the heads of the suppression systems at NSU revealed that all of the fuse links were overdue for replacement. Some of the links were dated 1980. Birdwell's appears to have been paid \$8,031 during the period from 1985 to 1997 for replacing fuse links, which were not replaced.

Mr. Birdwell told us that he was aware that he had not replaced the fuse links as required under the contracts. Mr. Birdwell stated that the terms of the contracts were too strict and too conservative. He also stated that he told the former secretary of NSU's Utility Department (now deceased) that the fuse links were good and did not need to be changed.

Hydrostatic Tests

The contracts also state that dry chemical cylinders are to be subjected to hydrostatic tests every six years. Both the suppression systems and the portable extinguishers employ dry chemical cylinders.

Suppression Systems

The NFPA's Life Safety Code requires that the hydrostatic test dates be noted on a sticker and placed on the outside of each cylinder. During our examination of the suppression systems, we observed that seven of the eight dry chemical cylinders did not comply with the hydrostatic testing requirements of the contracts. Birdwell's appears to have received \$1,160 from 1985 through 1997 for hydrostatic testing services he did not render.

Portable Fire Extinguishers

Our examination of a sample of portable extinguishers at NSU revealed that 80% of the extinguishers examined did not comply with the hydrostatic testing requirements under the contracts. Thus, Birdwell's may have received as much as \$14,040 from 1985 through 1997 for hydrostatic testing services not rendered.

Mr. Birdwell told us that he was aware that he did not perform six-year hydrostatic tests on the dry chemical cylinders as required under the contracts. He stated that the norms set forth in the contracts are too strict and too conservative.

The contracts between NSU and Birdwell's required that NSU personnel accompany the contractor during the inspections. Mr. Loran Lindsay, Director of Physical Plant for NSU, stated that he does not have the manpower to physically assure that the work is being done.

In addition, the contracts require hydrostatic tests on carbon dioxide cylinders. However, according to the State Fire Marshal's Office, Birdwell's is not licensed to perform hydrostatic tests on carbon dioxide cylinders.

The above actions indicate a possible breach of contract and a possible violation of Louisiana Revised Statute (R.S.) 40:1578.8, which establishes as minimum standards the provisions of the Life Safety Code of the National Fire Protection Association.

In addition, the above actions by Mr. Birdwell indicate a possible violation of R.S. 40:1650, which provides that no firm shall perform hydrostatic testing of fire extinguisher cylinders without a valid hydrostatic testing certificate of registration.

We recommend that NSU establish and implement controls to ensure that contracted services have been received before payment by NSU is made. In addition, we recommend that NSU establish policies that will ensure that contractors meet appropriate licensing requirements. Finally, we recommend that the State Fire Marshal and the District Attorney for the Tenth Judicial District of Louisiana review this information and take appropriate legal action, to include seeking restitution for services not rendered.

Attachment I
Management's Response



April 16, 1998

Dr. Daniel G. Kyle, CPA, CFE
 Legislative Auditor
 Post Office Box 94367
 Baton Rouge, Louisiana 70804-9367

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 STATE OF LOUISIANA
 OFFICE OF THE PRESIDENT

RE: INVESTIGATIVE AUDIT REPORT - BIRDWELL'S FIRE EXTINGUISHER SERVICE APPEARS TO HAVE RECEIVED AS MUCH AS \$18,231 FOR SERVICES NOT RENDERED

Dear Dr. Kyle:

In response to the above referenced investigative audit report, the university concurs and submits the following:

For fiscal year 1997-98, the university requested bids for a new fire extinguisher contract. The new contract was issued to E. L. Gremillion & Sons, Inc. and their appropriate license has been received to assure the university of proper qualifications. Work orders have been issued to correct all of the deficiencies listed from the previous Fire Marshall's inspection. These work orders were given to the new contractor to get the university back into compliance with the Fire Marshall's Office. The contractor was also given a floor plan of each building. As he has made his inspections, he has marked each floor plan to show the proper location of each required fire extinguisher. In addition, each fire extinguisher bracket has been lowered to comply with ADA standards.

As a result of all of the above, the university has instituted new policies and procedures to ensure that this kind of thing does not happen to the university in the future. In July of each year, the contractor will be given a copy of the floor plan for each building already identifying the location of each required fire extinguisher for a particular facility. After the contractor services a building, he will submit a written report to the Physical Plant Work Control Center about the fire extinguishers that had to be serviced, as well as reporting any that may have been missing or beyond repair. The Work Control Center then requests new extinguishers from the warehouse, which are then issued to the contractor for proper servicing and installation.

In addition to the annual inspection and servicing of the extinguishers by the contractor, the university has also started the following in-house inspections and controls. At the beginning of each fall, spring, and summer session, Physical Plant notifies each building manager by memorandum, along with marked floor plans and an inspection form, that they are to inspect non-residential buildings and advise of any deficiencies. Residential managers are also to inspect residential facilities and advise of deficiencies at the beginning of each fall, spring, and summer session. Deficiencies will be noted and passed on to the contractor for correction. In addition to these inspections, the Environmental Health & Safety Officer will make periodic spot checks of the extinguishers as he reviews buildings and he will issue deficiency reports as well. The Fire Marshall will continue to make an annual inspection and give us his reports. As deficiencies are reported, work orders will be issued and deficiencies corrected.

By June first of each year, a licensed contractor will be selected, based on the bid laws of the State of Louisiana, to service the fire extinguishers for Northwestern State University for the next fiscal year.

In addition to the aforementioned, a letter has been sent to the State Fire Marshall's Office asking him to review the various types of fire extinguishers/inspiration systems used on the Northwestern campus. Specifically, he has been asked to review the contractors' licenses to determine if they are properly licensed to service their appropriate contract.

Sincerely,



Randall J. Webb
President

RJW/pc

Attachment II
Legal Provisions

Legal Provisions

The following legal provisions and National Fire Protection Association (NFPA) standards are referred to in the Finding and Recommendation section of this report:

R.S. 48:1578.6 establishes as minimum standards the provisions of the Life Safety Code of the National Fire Protection Association. Applicable NFPA standards included in the Life Safety Code are:

- **NFPA Regulation Number 10**, which provides that every 6 years, stored pressure fire extinguishers that require a 12-year hydrostatic test shall be emptied and subjected to the applicable maintenance procedures.
- **NFPA Regulation Number 17**, which provides that fixed temperature-sensing elements of the fusible metal alloy type shall be replaced at least annually from the date of installation.
- **NFPA Regulation Number 17A**, which provides that wet chemical extinguishing systems shall be subjected to a hydrostatic test at intervals not exceeding 12 years.

R.S. 48:1459 provides that no person or firm shall perform hydrostatic testing of fire extinguisher cylinders manufactured in accordance with the specifications and requirements of the United States Department of Transportation without a valid hydrostatic testing certificate of registration.