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State Auditor

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June 21, 2007

Ms. Sherry Edwards, President
Board of Directors
Southeastern Family Violence Center
108 West 9th. Street
Lumberton, NC 28358

RE: State Grants—

Department of Administration—	State Fiscal Year 2005, \$50,000.00 & \$13,040.23
	State Fiscal Year 2006, \$40,000.00 & \$5,000.00
Department of Agriculture—	State Fiscal Year 2006, \$2,057.74
Department of Crime Control and Public Safety—	
	State Fiscal Year 2005, \$19,801.19, \$36,895.49 & \$4,180.50
	State Fiscal Year 2006, \$40,621.09 & \$4,104.51
Department of Health and Human Services—	State Fiscal Year 2006, \$33,383.66

Dear Ms. Edwards:

We have completed an examination using certain limited procedures described below at Southeastern Family Violence Center (Southeastern) related to its management of State grant funds. Our objective was to identify whether or not there were any deficiencies in internal control; instances of noncompliance with laws, regulations, and provisions of contracts or grants agreements; and/or deficiencies in the management of financial resources based solely on the performance of these procedures.

These procedures do not constitute an audit, examination or a review as described in professional standards governing those types of services. Furthermore, our procedures were not agreed upon by you or any third party. Our procedures do not provide a basis for providing any level of assurance regarding internal control, compliance or financial management and should not be relied upon for that purpose.

Specifically, our procedures included the following:

- Interviewing personnel;
- Examining accounting records for the purpose of identifying state grant transactions;
- Examining documentation supporting selected transactions and balances;
- Reviewing available policies and procedures; and
- Reviewing available board minutes.

The results of these examination conducted on April 17 and 18 and May 4, 2007 disclosed internal control deficiencies, instances of noncompliance and/or other matters of concern that are described in the attached findings and recommendations.

This letter, including your written response to the draft findings, will be published on our Electronic Publication System (EPS) at www.ncauditor.net. You and others who are interested in the publication should register with EPS on the web site. Registered parties will receive an email notification and a link to the publication as soon as it is available.

This letter is intended solely for the information and use of the board of directors, management of the Southeastern Family Violence Center, the Governor, the General Assembly, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Leslie W. Merritt, Jr., CPA, CFP
State Auditor

LWMjr/rm

Attachment

CC: Commissioner Steve Troxler
Department of Agriculture and Consumer Services
Secretary Britt Cobb,
Department of Administration
Secretary Bryan Beatty
Department of Crime Control and Public Safety
Secretary Carmen Hooker Odem
Department of Health and Human Services
Ms. Teresa Pell, Executive Director
NC Council for Women and Domestic Violence Commission
Ms. Laketha Miller, Controller
Department of Health and Human Services

Southeastern Family Violence Center. FINDINGS AND RECOMMENDATIONS

Grants Overview

Department of Administration- N.C. Council for Women/ Domestic Violence Commission- Displaced Homemaker & Divorce Fees Grant--

This grant started in FY2006. The grant is to serve Robeson County, providing support and financial assistance to individuals whose living situation and financial support has changed for the worst. First year funding came from divorce fees. The budget, of \$49,240, was to pay for salaries of a case manager and a portion of the executive director and some operating expenses and financial assistance to participants, such as, tuition/fees, books, childcare and transportation. In FY2007, the grant budget included an appropriation of \$5,000 for financial assistance to participants and the divorce fees funding budget excluded the basic operating expenses and increased financial assistance to participants. Both years had a 20% matching requirement.

Department of Administration- N.C. Council for Women/ Domestic Violence Commission- Domestic Violence and Marriage Fees Grant--

The grant is to assist domestic violence victims by providing counseling and shelter as needed, paying for the salary of a Court Advocate and Shelter Manager.

NC Department of Health and Human Services- Division of Social Services-Family Violence Prevention Grant--

The grant is to provide children's services and school prevention programs to enhance the children's counseling programs and continued collaboration with the Public Schools of Robeson County. There is a 15% matching requirement.

NC Department of Agriculture and Consumer Services- USDA Donated Commodities Contract--

The grant awards to the grantee authority to supervise and control the storage, handling and use of all USDA donated commodities in quantities that can be stored and fully utilized for the benefit of the participants served in the program.

NC Department of Crime Control and Public Safety-Governors Crime Commission Division- Victims of Crime Act Grant--

The grant funding is to be used to speed the recovery of victims by providing comprehensive services. These services can include shelter, legal counsel, court appearance assistance and support groups.

1. SOUTHEASTERN FAMILY VIOLENCE CENTER (SOUTHEASTERN) DOES NOT HAVE AN ADEQUATE CHART OF ACCOUNTS TO ALLOW TRACKING OF STATE GRANT FUNDS.

All monies received by Southeastern are deposited into a single checking account containing both State grant funds and private funds from other sources of revenue. However, the chart of accounts does not allow the tracking of expenditures by funding source. This results in the inability to determine which expenditures are supported by State grant funds. One of the requirements of the State grant agreements is to keep accurate records of how the grant funds are used.

Recommendation:

Southeastern should design and implement a revised chart of accounts that will allow expenditures to be linked to funding source. This will allow the clear identification of State grant expenditures and will allow reviewers of those expenditures to determine that they were made in conformance with the terms of the grant contract.

2. SOUTHEASTERN FAMILY VIOLENCE CENTER'S INTERNAL CONTROL POLICIES AND PROCEDURES NEED STRENGTHENING.

Southeastern did have written policies and procedures. However, a review of the policies and procedures for financial transactions showed that they lacked necessary detail. Specifically, the procedures did not describe the processes for payment of invoices, account receivables/payables, reconciliation activity, program expense allocations and deposit of funds. Additionally, the policies and procedures manual did not contain a conflict of interest policy even though one had been filed with the funding agencies. (See finding #3) Review of documentation supporting expenditures revealed that while most expenditures were approved by the Executive Director, there was no evidence of an independent approval by the Board. However, most checks for over \$500 were co-signed by a Board member. Specific, detailed procedures are needed to prevent confusion and to clearly assign responsibility for implementation.

Recommendation:

The Board of Directors should instruct the Executive Director to rewrite policies and procedures for financial transactions to strengthen the internal controls over all financial activities. The official policy on conflict of interest should be included in the policies and procedures manual and implemented. The policies and procedures should be reviewed and approved by the Board of Directors. The Board should periodically test the procedures to assure themselves and the funding agencies that the controls are working as intended.

3. CONFLICT OF INTEREST SITUATIONS WERE EVIDENT AT SOUTHEASTERN FAMILY VIOLENCE CENTER.

Southeastern filed a conflict of interest policy with the funding agencies noted above. However, review of that policy revealed that it does not comply with the requirements of G.S. 143-6.2(b1) which requires a conflict of interest policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy should address situations in which any of these individuals may directly or indirectly benefit. The policy filed with the funding agencies only addressed Board members actions as they relate to contracts.

In reviewing the grant documentation, we noted two instances where the Executive Director's actions clearly resulted in a conflict of interest. We found no evidence that the Board was aware of either situation.

- The Executive Director's daughter was determined eligible for the Displaced Homemaker grant. Total payments to the daughter (\$3,369.93) for transportation, tuition, and books were more than 50% higher than for any other client. While the Executive Director did not sign the eligibility intake form, she did approve the form and signed all the reimbursement checks to her daughter. Several of the checks were only signed by the Executive Director. Others included the Board chair's signature; however, this signature was in two different handwritings.
- Southeastern has an account with Lowe's and has a Lowe's credit card in the name of the entity. In reviewing payments made to Lowe's, we noted two payments totaling \$2,435.00 which were reimbursed by the Executive Director. The Executive Director admitted she made purchases with Southeastern's credit card for personal use. She provided copies of her personal checks covering those purchases. However, the Board chair indicated that she was not aware that these purchases had been made until after our questions.

In order to properly protect State grant funds, each grantee must have and implement a conflict of interest policy that clearly spells out the expectations for Board members, management, and employees of the grantee. Absence of such a policy can result in situations where conflict of interest occurs in appearance or in fact.

Recommendation:

The Board of Directors must immediately adopt and implement a Conflict of Interest policy as required under G.S. 143-6.2(b1). The policy should clearly address Board members, management, and employees, making it clear that neither may benefit either directly or indirectly from any State or Federal grant funds. The revised policy must be filed with each funding agency prior to the award of the grant.

The State Displaced Homemaker grant staff should review the client file and reimbursements for the Executive Director's daughter totaling \$3,369.93 to determine whether the grant funds provided to her were proper or if they should be reimbursed.

Further, all funding agencies for this grantee should immediately review the requirements contained in G.S. 143-6.2(b1) regarding the conflict of interest statement. The conflict of interest policy filed by all grantees should conform to those requirements. Any suggested wording for this policy given to grantees should address all the requirements contained in the legislation.

4. SOUTHEASTERN FAMILY VIOLENCE CENTER DID NOT COMPLY WITH ALL THE REQUIREMENTS OF ITS DISPLACED HOMEMAKER GRANT.

The Displaced Homemaker Grant was awarded by the Department of Administration, NC Council for Women and Domestic Violence Commission. Review of grant documentation showed the following non-compliance:

- ◆ Eligibility issues—
 - Lack of supporting documentation to establish eligibility
 - Instances of differing addresses
 - Questionable payments—\$2,399.29 in total
 - Payments made to clients before eligibility was established
 - Payments made to a client that did not have an eligibility intake file
 - Reimbursements for expenses already paid by client, not current expenses as required by grant
- ◆ Absence of time records—
 - No detailed time records to support salaries charged to grants
- ◆ Over-reporting of clients and expenditures from July 2005 to December 2006
 - Over-reported number of clients—44
 - Over-reported expenses--\$13,769.67

Grant funds should only be spent for the purposes specified in the grant agreement. Any funds that have been spent inappropriately or that were over-reimbursed should be recouped from the grantee.

Recommendation:

Southeastern management should review all client files and supporting documentation to make sure all clients meet the eligibility requirements of the grant and that all transactions are allowed by the terms of the grant agreement. The Board should direct the Executive Director to establish a new timekeeping system that properly tracks each staff member's hours spent on each grant.

The State Displaced Homemaker grant staff should review all expenditures reported by Southeastern on the Semi-Annual Financial Status Reports to determine whether Southeastern should repay grant funds. Particular attention should be given to the instances identified above, totaling \$16,168.96.

5. SOUTHEASTERN FAMILY VIOLENCE CENTER USED GRANT FUNDS TO PAY FOR EXCESSIVE AMOUNTS OF FUEL.

As noted on page 3, some of the grants awarded to Southeastern Family Violence Center allowed grant funds to be used for operational expenses and transportation of clients. In reviewing expenditure documentation, we noted excessive expenditures for fuel for the three vehicles operated by the grantee. For the period January 2005 through February 2007, we located invoices for fuel totaling \$14,142.67. Only two of the vehicles were used to transport clients; the other was a truck used by the maintenance person. This equates to approximately \$7,000 for each of those two vehicles for this period.

Southeastern maintained a store credit account at a Sun-DO Kwik Shop (billed through Oliver Oil Co.) and also used a BP Amoco credit card for fuel purchases. We examined available invoices from both Oliver Oil Co. and BP. As shown in Table 1, Southeastern made 364 purchases of fuel totalling 5,779 gallons during this period. Sales slips or other documentation only identified the specific Southeastern vehicle on 23 purchases (highlighted in Table 1). We noted numerous weekend purchases of fuel and other instances of fuel purchases made as early as 4AM and as late as 10PM.

Recommendation:

The Board should initiate a review of fuel costs to determine whether all charges are related to the grants. Such reviews of expenditures should be conducted by the Board on a periodic basis for all types of expenditures. Further, the Board should initiate stronger oversight for use of entity credit cards.

<p align="center">TABLE 1 Questioned Fuel Purchases January 2005 – February 2007</p>					
COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
1	BP	01/03/05	2300 Carthage Road, Lumberton	16.600	\$30.00
2	Oliver	01/06/05	Carthage Road, Lumberton	11.9300	\$20.00
3	BP	01/07/05	2300 Carthage Road, Lumberton	23.300	\$42.02
4	BP	01/07/05	2300 Carthage Road, Lumberton	18.300	\$33.00
5	Oliver	01/08/05	Carthage Road, Lumberton	11.3730	\$20.00
6	Oliver	01/09/05	Carthage Road, Lumberton	8.4450	\$14.85
7	BP	01/10/05	2300 Carthage Road, Lumberton	23.600	\$42.54
8	BP	01/11/05	2300 Carthage Road, Lumberton	19.400	\$35.00
9	Oliver	01/12/05	Carthage Road, Lumberton	20.5999	\$35.00
10	BP	01/13/05	HWY 3, Roland	20.100	\$38.24
11	BP	01/17/05	2300 Carthage Road, Lumberton	24.000	\$45.66
12	BP	01/18/05	2300 Carthage Road, Lumberton	18.400	\$35.00
13	BP	01/19/05	2300 Carthage Road, Lumberton	24.100	\$45.91
14	BP	01/21/05	2300 Carthage Road, Lumberton	15.000	\$30.10
15	BP	01/21/05	2300 Carthage Road, Lumberton	16.000	\$32.00
16	Oliver	01/23/05	Carthage Road, Lumberton	14.0510	\$25.00
17	BP	01/24/05	2300 Carthage Road, Lumberton	22.200	\$42.21
18	BP	01/24/05	2300 Carthage Road, Lumberton	18.100	\$34.50
19	Oliver	01/25/05	Carthage Road, Lumberton	8.2500	\$15.01
20	BP	01/26/05	2300 Carthage Road, Lumberton	24.800	\$48.71
21	BP	01/28/05	2300 Carthage Road, Lumberton	20.400	\$39.98
22	BP	01/28/05	2300 Carthage Road, Lumberton	11.900	\$23.50
23	BP	01/31/05	2300 Carthage Road, Lumberton	20.500	\$40.16
24	BP	02/01/05	2300 Carthage Road, Lumberton	16.500	\$33.00
25	Oliver	02/01/05	Carthage Road, Lumberton	22.9780	\$42.72
26	BP	02/03/05	2300 Carthage Road, Lumberton	19.600	\$39.00
27	Oliver	02/08/05	Carthage Road, Lumberton	10.7600	\$20.00
28	BP	02/09/05	2300 Carthage Road, Lumberton	23.400	\$46.31
29	BP	02/11/05	2300 Carthage Road, Lumberton	22.900	\$45.32
30	Oliver	02/11/05	Carthage Road, Lumberton	21.5180	\$40.00
31	Oliver	02/11/05	Carthage Road, Lumberton	10.7600	\$20.00
32	BP	02/14/05	2300 Carthage Road, Lumberton	24.300	\$48.10
33	BP	02/16/05	2300 Carthage Road, Lumberton	19.200	\$38.00
34	BP	02/16/05	2300 Carthage Road, Lumberton	24.500	\$48.50
35	Oliver	02/19/05	Carthage Road, Lumberton	10.5881	\$20.01
36	Oliver	02/21/05	Carthage Road, Lumberton	12.3070	\$22.63
37	BP	02/23/05	2300 Carthage Road, Lumberton	20.200	\$40.00
38	Oliver	02/24/05	Carthage Road, Lumberton	21.7170	\$40.37
39	BP	02/28/05	2300 Carthage Road, Lumberton	24.400	\$48.43
40	BP	03/01/05	3080 W 5th. St., Lumberton	16.200	\$34.00
41	BP	03/03/05	2300 Carthage Road, Lumberton	23.600	\$46.88
42	BP	03/05/05	1407 Ramsey St., Fayetteville	35.700	\$75.00
43	BP	03/16/05	2300 Carthage Road, Lumberton	18.100	\$38.95
44	Oliver	03/16/05	Carthage Road, Lumberton	(1)	\$40.00
45	BP	03/17/05	2300 Carthage Road, Lumberton	24.000	\$52.43
46	Oliver	03/18/05	Carthage Road, Lumberton	(1)	\$30.00
47	Oliver	03/18/05	Carthage Road, Lumberton	(1)	\$46.56
48	Oliver	03/23/05	Carthage Road, Lumberton	(1)	\$36.48
49	BP	03/31/05	2300 Carthage Road, Lumberton	23.100	\$54.05
50	BP	04/04/05	2300 Carthage Road, Lumberton	19.000	\$45.25
51	BP	04/05/05	2300 Carthage Road, Lumberton	24.000	\$57.19
52	BP	04/07/05	2300 Carthage Road, Lumberton	25.400	\$60.00
53	BP	04/11/05	2300 Carthage Road, Lumberton	22.200	\$52.50
(1) documentation not available			Indicated purchase was for Southeastern's van		

TABLE 1 (continued)
Questioned Fuel Purchases
January 2005 – February 2007

COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
54	Oliver	04/12/05	Carthage Road, Lumberton	(1)	\$25.01
55	BP	04/16/05	2300 Carthage Road, Lumberton	24.100	\$56.22
56	Oliver	04/18/05	Carthage Road, Lumberton	(1)	\$55.75
57	Oliver	04/18/05	Carthage Road, Lumberton	(1)	\$30.00
58	Oliver	04/18/05	Carthage Road, Lumberton	21.721	\$48.63
59	BP	04/19/05	2300 Carthage Road, Lumberton	24.500	\$57.15
60	BP	04/21/05	2300 Carthage Road, Lumberton	24.200	\$54.15
61	Oliver	04/22/05	Carthage Road, Lumberton	(1)	\$42.00
62	BP	04/25/05	2300 Carthage Road, Lumberton	23.500	\$52.42
63	Oliver	04/26/05	Carthage Road, Lumberton	21.876	\$47.67
64	BP	04/27/05	2300 Carthage Road, Lumberton	22.600	\$50.43
65	BP	04/28/05	2300 Carthage Road, Lumberton	23.900	\$53.42
66	Oliver	04/28/05	Carthage Road, Lumberton	18.4420	\$40.00
67	BP	04/29/05	295 Smokey Park, Ashville	20.500	\$47.26
68	BP	05/03/05	2300 Carthage Road, Lumberton	19.400	\$43.38
69	Oliver	6/1/2005	Carthage Road, Lumberton	19.709	\$39.00
70	Oliver	06/02/05	Carthage Road, Lumberton	3.1420	\$6.53
71	Oliver	06/06/05	Carthage Road, Lumberton	23.0690	\$47.50
72	Oliver	06/10/05	Carthage Road, Lumberton	22.3400	\$46.00
73	Oliver	06/13/05	Carthage Road, Lumberton	13.1140	\$27.00
74	BP	06/21/05	2300 Carthage Road, Lumberton	22.700	\$51.34
75	Oliver	06/22/05	Carthage Road, Lumberton	21.9460	\$46.50
76	BP	06/24/05	1850 Owen Dr., Fayetteville	23.000	\$52.05
77	Oliver	06/24/05	Carthage Road, Lumberton	8.9660	\$19.00
78	BP	06/27/05	1850 Owen Dr., Fayetteville	19.900	\$45.00
79	Oliver	06/27/05	Carthage Road, Lumberton	14.5700	\$30.00
80	Oliver	06/30/05	Carthage Road, Lumberton	18.8870	\$40.00
81	Oliver	07/08/05	Carthage Road, Lumberton	13.1720	\$30.02
82	Oliver	07/13/05	Carthage Road, Lumberton	13.5180	\$30.00
83	BP	07/14/05	2300 Carthage Road, Lumberton	16.600	\$38.00
84	Oliver	07/14/05	Carthage Road, Lumberton	4.7850	\$10.62
85	BP	07/19/05	2300 Carthage Road, Lumberton	23.400	\$55.75
86	Oliver	07/19/05	Carthage Road, Lumberton	13.3080	\$29.00
87	Oliver	07/22/05	Carthage Road, Lumberton	12.3620	\$36.46
88	BP	07/25/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	20.255	\$62.77
89	BP	07/26/05	34137547 (Unknown)	21.900	\$64.15
90	Oliver	07/26/05	Carthage Road, Lumberton	18.3570	\$40.00
91	Oliver	07/30/05	Carthage Road, Lumberton	9.3500	\$20.28
92	BP	08/03/05	2300 Carthage Road, Lumberton	23.800	\$57.17
93	Oliver	08/04/05	Carthage Road, Lumberton	17.8630	\$40.00
94	BP	08/08/05	2300 Carthage Road, Lumberton	22.900	\$56.00
95	BP	08/10/05	904 E. Main St., Benson	23.100	\$58.00
96	Oliver	08/10/05	Carthage Road, Lumberton	17.1030	\$40.00
97	Oliver	08/12/05	Carthage Road, Lumberton	12.0070	\$30.01
98	Oliver	08/22/05	Carthage Road, Lumberton	20.0120	\$50.01
99	BP	08/24/05	2300 Carthage Road, Lumberton	19.800	\$52.57
100	Oliver	08/24/05	Carthage Road, Lumberton	23.7230	\$60.00
101	Oliver	08/25/05	Carthage Road, Lumberton	2.7700	\$7.00
102	BP	08/29/05	2300 Carthage Road, Lumberton	15.100	\$40.01
103	BP	08/30/05	3215 Raeford Rd., Fayetteville	24.000	\$65.00
104	BP	08/30/05	2300 Carthage Road, Lumberton	23.300	\$63.00
105	BP	09/01/05	2300 Carthage Road, Lumberton	20.200	\$71.01

(1) documentation not available

Indicated purchase was for Southeastern's van

TABLE 1 (continued)
Questioned Fuel Purchases
January 2005 – February 2007

COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
106	BP	09/01/05	2300 Carthage Road, Lumberton	9.700	\$33.00
107	Oliver	09/01/05	Carthage Road, Lumberton	10.7410	\$33.29
108	Oliver	09/01/05	Carthage Road, Lumberton	15.4900	\$48.00
109	Oliver	09/01/05	Carthage Road, Lumberton	7.8170	\$25.01
110	BP	09/06/05	2300 Carthage Road, Lumberton	0.000	\$0.08
111	BP	09/07/05	2300 Carthage Road, Lumberton	23.500	\$77.65
112	Oliver	09/07/05	Carthage Road, Lumberton	22.6560	\$72.02
113	BP	09/09/05	2300 Carthage Road, Lumberton	12.500	\$40.00
114	BP	09/12/05	2300 Carthage Road, Lumberton	12.300	\$38.40
115	Oliver	09/13/05	Carthage Road, Lumberton	17.3700	\$50.34
116	Oliver	09/25/05	Carthage Road, Lumberton	10.3490	\$30.00
117	Oliver	09/28/05	Carthage Road, Lumberton	8.3390	\$25.01
118	Oliver	09/28/05	Carthage Road, Lumberton	6.6710	\$20.00
119	Oliver	09/28/05	Carthage Road, Lumberton	12.9120	\$40.00
120	Oliver	10/02/05	Carthage Road, Lumberton	16.0260	\$51.27
121	Oliver	10/05/05	Carthage Road, Lumberton	16.6730	\$51.50
122	Oliver	10/07/05	Carthage Road, Lumberton	5.0100	\$15.01
123	BP	10/17/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	1.000	\$0.05
124	BP	10/17/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	1.000	\$0.04
125	Oliver	10/17/05	Carthage Road, Lumberton	6.7430	\$19.41
126	Oliver	10/17/05	Carthage Road, Lumberton	9.7260	\$28.00
127	Oliver	11/01/05	Carthage Road, Lumberton	10.4650	\$25.00
128	BP	11/02/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.300	\$57.98
129	Oliver	11/02/05	Carthage Road, Lumberton	12.5560	\$30.00
130	BP	11/03/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	6.200	\$15.00
131	BP	11/04/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	20.000	\$48.00
132	BP	11/06/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	16.200	\$40.50
133	BP	11/10/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.000	\$45.00
134	BP	11/10/05	2309821	21.300	\$53.45
135	Oliver	11/10/05	Carthage Road, Lumberton	8.9050	\$20.03
136	BP	11/15/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.000	\$52.54
137	BP	11/17/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.400	\$53.37
138	BP	11/17/05	35329440 (Coleman Oil, 32060 Main St. Newberry, SC	17.300	\$38.24
139	Oliver	11/17/05	Carthage Road, Lumberton	14.1570	\$30.00
140	Oliver	11/17/05	Carthage Road, Lumberton	13.9260	\$29.51
141	BP	11/18/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	11.400	\$25.00
142	BP	11/19/05	3393071 (Saluda Truck Plaza, I-26 & Ozone Rd., Saluda, NC	17.800	\$40.39
143	BP	11/21/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	20.900	\$46.06
144	BP	11/23/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.700	\$10.00
145	BP	11/23/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	27.700	\$61.00
146	Oliver	11/23/05	Carthage Road, Lumberton	12.1510	\$25.26
147	BP	11/26/05	2416394 (Kangaroo Express #35, 6428 Camden Rd., Fayetteville	26.000	\$61.00
148	BP	11/29/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.800	\$50.00
149	BP	11/29/05	42420646	25.500	\$66.53
150	Oliver	11/29/05	Carthage Road, Lumberton	12.1460	\$25.01
151	BP	11/30/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.700	\$54.50
(1) documentation not available			Indicated purchase was for Southeastern's van		

TABLE 1 (continued) Questioned Fuel Purchases January 2005 – February 2007					
COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
152	Oliver	12/04/05	Carthage Road, Lumberton	14.6440	\$30.01
153	BP	12/06/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.900	\$25.00
154	BP	12/07/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	15.200	\$35.00
155	BP	12/09/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	26.200	\$60.00
156	BP	12/10/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	9.100	\$20.00
157	BP	12/12/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.900	\$25.00
158	BP	12/12/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.200	\$41.85
159	Oliver	12/13/05	Carthage Road, Lumberton	18.3570	\$40.00
160	BP	12/16/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.900	\$59.72
161	BP	12/16/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.900	\$25.01
162	Oliver	12/19/05	Carthage Road, Lumberton	18.3600	\$40.01
163	BP	12/20/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.100	\$45.81
164	BP	12/21/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	12.900	\$31.00
165	BP	12/22/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.600	\$25.00
166	BP	12/23/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.500	\$55.00
167	BP	12/26/05	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.500	\$43.32
168	Oliver	12/26/05	Carthage Road, Lumberton	22.3210	\$48.64
169	BP	12/27/05	2537413 (LT Short Stop #22, 904 E Main St, Benson, NC	8.800	\$20.07
170	Oliver	01/02/06	Carthage Road, Lumberton	11.3680	\$25.00
171	Oliver	01/05/06	Carthage Road, Lumberton	8.7580	\$20.66
172	Oliver	01/05/06	Carthage Road, Lumberton	12.6040	\$29.73
173	BP	01/06/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.200	\$10.00
174	BP	01/06/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	0.012	\$0.03
175	BP	01/06/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.900	\$61.06
176	BP	01/07/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.100	\$45.00
177	BP	01/15/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.100	\$56.13
178	BP	01/16/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	15.700	\$40.02
179	BP	01/18/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.100	\$40.01
180	BP	01/18/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.200	\$54.32
181	Oliver	01/18/06	Carthage Road, Lumberton	15.7190	\$36.14
182	BP	01/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.600	\$26.06
183	Oliver	01/19/06	Carthage Road, Lumberton	7.9360	\$18.40
184	BP	01/20/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	6.400	\$15.00
185	Oliver	01/24/06	Carthage Road, Lumberton	20.0950	\$47.00
186	BP	01/25/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	7.502	\$18.00
187	Oliver	01/25/06	Carthage Road, Lumberton	21.2730	\$49.76
188	BP	01/28/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.758	\$45.00
189	Oliver	01/28/06	Carthage Road, Lumberton	16.6580	\$38.30
190	BP	01/29/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.640	\$45.46
191	BP	01/31/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.723	\$57.86
192	Oliver	01/31/06	Carthage Road, Lumberton	8.2190	\$18.90
193	BP	02/02/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.918	\$57.86
194	BP	02/03/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.931	\$33.70
195	Oliver	02/04/06	Carthage Road, Lumberton	13.0530	\$30.01
196	BP	02/06/06	42420646 (Gordon Dove BP, 3080 W. 5th. St., Lumberton	30.400	\$79.15
197	BP	02/08/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.552	\$25.00
198	BP	02/09/06	2300 Carthage Road, Lumberton	26.500	\$52.62
199	BP	02/09/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.552	\$25.00
200	BP	02/10/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	14.787	\$35.03
201	BP	02/10/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.682	\$58.00
(1) documentation not available			Indicated purchase was for Southeastern's van		

TABLE 1 (continued)
Questioned Fuel Purchases
January 2005 – February 2007

COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
202	Oliver	02/12/06	Carthage Road, Lumberton	22.2370	\$50.00
203	Oliver	02/15/06	Carthage Road, Lumberton	7.1130	\$16.00
204	BP	02/20/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.342	\$54.13
205	Oliver	02/23/06	Carthage Road, Lumberton	22.7360	\$50.00
206	BP	02/24/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.780	\$25.00
207	BP	02/27/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	11.213	\$26.00
208	BP	03/01/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.877	\$41.46
209	Oliver	03/01/06	Carthage Road, Lumberton	15.4610	\$34.00
210	Oliver	03/02/06	Carthage Road, Lumberton	7.7750	\$17.25
211	BP	03/03/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.577	\$44.01
212	BP	03/03/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.244	\$55.01
213	BP	03/05/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.759	\$57.00
214	Oliver	03/06/06	Carthage Road, Lumberton	20.8830	\$48.01
215	BP	03/09/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.957	\$44.87
216	Oliver	03/10/06	Carthage Road, Lumberton	17.1010	\$40.00
217	BP	03/13/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.219	\$43.03
218	Oliver	03/14/06	Carthage Road, Lumberton	16.6730	\$40.00
219	BP	03/21/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	9.706	\$26.00
220	Oliver	03/21/06	Carthage Road, Lumberton	18.8060	\$47.00
221	BP	03/22/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.071	\$35.02
222	Oliver	03/24/06	Carthage Road, Lumberton	8.0620	\$20.15
223	BP	03/28/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.438	\$26.50
224	Oliver	03/29/06	Carthage Road, Lumberton	16.0080	\$44.26
225	Oliver	04/01/06	Carthage Road, Lumberton	8.2930	\$21.14
226	Oliver	04/05/06	Carthage Road, Lumberton	19.6300	\$51.01
227	BP	04/06/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	21.234	\$56.25
228	BP	04/11/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	8.995	\$25.00
229	Oliver	04/14/06	Carthage Road, Lumberton	9.3450	\$25.97
230	BP	04/17/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.704	\$66.95
231	BP	04/19/06	47677844 (Han-Dee Hugos #58, 540 N. Person St., Raleigh	25.900	\$77.91
232	BP	04/20/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.077	\$55.12
233	Oliver	04/20/06	Carthage Road, Lumberton	6.8990	\$20.00
234	BP	04/22/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.002	\$30.00
235	Oliver	04/25/06	Carthage Road, Lumberton	13.8030	\$40.01
236	BP	04/26/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	11.293	\$35.00
237	BP	04/27/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	15.417	\$47.78
238	Oliver	04/29/06	Carthage Road, Lumberton	7.0480	\$20.43
239	Oliver	05/01/06	Carthage Road, Lumberton	18.5980	\$53.92
240	Oliver	05/01/06	Carthage Road, Lumberton	8.6280	\$25.01
241	BP	05/08/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.434	\$40.02
242	Oliver	05/09/06	Carthage Road, Lumberton	26.7980	\$75.01
243	BP	05/10/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	21.987	\$65.50
244	BP	05/10/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.010	\$50.67
(1) documentation not available			Indicated purchase was for Southeastern's van		

TABLE 1 (continued)
Questioned Fuel Purchases
January 2005 – February 2007

COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
245	Oliver	05/10/06	Carthage Road, Lumberton	19.6300	\$54.35
246	Oliver	05/14/06	Carthage Road, Lumberton	9.7400	\$27.84
247	BP	05/15/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.356	\$30.02
248	Oliver	05/15/06	Carthage Road, Lumberton	17.8660	\$50.01
249	Oliver	05/15/06	Carthage Road, Lumberton	17.8620	\$50.00
250	BP	05/16/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.540	\$55.05
251	BP	05/18/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	8.713	\$25.00
252	BP	05/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	7.321	\$21.00
253	BP	05/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.476	\$40.01
254	Oliver	05/21/06	Carthage Road, Lumberton	7.4190	\$20.00
255	BP	05/23/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	20.024	\$58.05
256	BP	05/25/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	20.342	\$57.95
257	Oliver	05/25/06	Carthage Road, Lumberton	21.8120	\$58.00
258	BP	06/08/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.113	\$67.00
259	Oliver	06/09/06	Carthage Road, Lumberton	10.1290	\$27.84
260	Oliver	06/12/06	Carthage Road, Lumberton	21.0990	\$58.00
261	Oliver	06/22/06	Carthage Road, Lumberton	11.0150	\$30.06
262	Oliver	06/29/06	Carthage Road, Lumberton	17.9910	\$50.00
263	Oliver	07/01/06	Carthage Road, Lumberton	8.6800	\$24.80
264	BP	07/06/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.318	\$66.93
265	Oliver	07/10/06	Carthage Road, Lumberton	10.1500	\$24.01
266	BP	07/11/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.684	\$60.02
267	Oliver	07/13/06	Carthage Road, Lumberton	9.9690	\$29.00
268	BP	07/14/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.048	\$55.03
269	Oliver	07/15/06	Carthage Road, Lumberton	6.9100	\$20.01
270	Oliver	07/15/06	Carthage Road, Lumberton	6.9100	\$20.01
271	BP	07/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	15.212	\$45.62
272	Oliver	07/19/06	Carthage Road, Lumberton	3.3900	\$10.00
273	BP	07/20/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	14.532	\$45.03
274	Oliver	07/20/06	Carthage Road, Lumberton	5.0890	\$15.01
275	BP	07/24/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	12.906	\$40.00
276	BP	07/25/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	0.009	\$0.03
277	Oliver	07/26/06	Carthage Road, Lumberton	7.4560	\$21.99
278	BP	07/27/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.840	\$15.00
279	BP	07/27/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.104	\$53.01
280	BP	07/27/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	8.066	\$25.00
281	Oliver	07/27/06	Carthage Road, Lumberton	8.4790	\$25.00
282	BP	07/28/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	11.621	\$36.01
283	BP	07/31/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	16.136	\$50.01
284	Oliver	08/02/06	Carthage Road, Lumberton	8.1760	\$23.70
285	Oliver	08/04/06	Carthage Road, Lumberton	16.7840	\$50.00
286	Oliver	08/04/06	Carthage Road, Lumberton	13.4300	\$40.00
287	Oliver	08/14/06	Carthage Road, Lumberton	13.7980	\$40.00
288	Oliver	08/20/06	Carthage Road, Lumberton	10.4930	\$30.00
289	Oliver	08/23/06	Carthage Road, Lumberton	24.0160	\$70.01
290	Oliver	09/01/06	Carthage Road, Lumberton	14.1110	\$36.39
291	BP	09/02/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	15.391	\$40.00
292	BP	09/02/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	7.694	\$20.00
293	Oliver	09/04/06	Carthage Road, Lumberton	7.7630	\$20.02
294	BP	09/05/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.602	\$61.00
295	BP	09/05/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.720	\$12.74
296	BP	09/08/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.700	\$46.00

(1) documentation not available

Indicated purchase was for Southeastern's van

TABLE 1 (continued)
Questioned Fuel Purchases
January 2005 – February 2007

COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
297	Oliver	09/09/06	Carthage Road, Lumberton	8.7170	\$21.35
298	Oliver	09/12/06	Carthage Road, Lumberton	23.7580	\$57.00
299	Oliver	09/12/06	Carthage Road, Lumberton	25.0170	\$61.27
300	BP	09/13/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.284	\$26.01
301	Oliver	09/20/06	Carthage Road, Lumberton	19.6310	\$45.13
302	Oliver	09/21/06	Carthage Road, Lumberton	19.5800	\$45.00
303	Oliver	09/30/06	Carthage Road, Lumberton	18.3610	\$40.01
304	BP	10/06/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.197	\$52.00
305	Oliver	10/06/06	Carthage Road, Lumberton	8.8840	\$19.00
306	BP	10/10/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.172	\$43.12
307	BP	10/11/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.678	\$51.00
308	BP	10/14/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	21.747	\$50.00
309	BP	10/17/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.147	\$55.51
310	BP	10/25/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	21.490	\$48.33
311	BP	10/27/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	18.454	\$41.50
312	Oliver	10/31/06	Carthage Road, Lumberton	14.1580	\$30.00
313	BP	11/01/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	20.238	\$45.52
314	BP	11/02/06	8016453 (Kangaroo Express #307, 700 E New Bern Rd., Kinston)	19.919	\$44.00
315	Oliver	11/02/06	Carthage Road, Lumberton	24.4800	\$51.38
316	BP	11/05/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	15.562	\$35.00
317	BP	11/05/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.656	\$10.01
318	BP	11/13/06	6851604 (Kangaroo Express #30, 3330 Natal Rd., Fayetteville)	8.776	\$20.00
319	BP	11/14/06	42622845 (Wellman Oil Co, US 421 North, Clinton)	21.200	\$49.23
320	BP	11/20/06	5641725 Cedar Creek Rd., Fayetteville	17.772	\$43.35
321	Oliver	11/20/06	Carthage Road, Lumberton	15.2780	\$33.29
322	Oliver	11/20/06	Carthage Road, Lumberton	22.0700	\$48.09
323	BP	11/21/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	14.096	\$31.00
324	BP	11/23/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.547	\$10.00
325	BP	11/24/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	8.934	\$20.00
326	Oliver	11/24/06	Carthage Road, Lumberton	9.1320	\$20.08
327	BP	11/28/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.662	\$53.01
328	Oliver	11/28/06	Carthage Road, Lumberton	15.5710	\$33.93
329	BP	11/29/06	2416667 (Kangaroo Exp. #3139, 1208 Bragg Blvd., Fayetteville)	8.738	\$20.00
330	BP	12/13/06	2300945 (Coliseum BP, 2036 Gillespie St., Fayetteville	22.305	\$53.06
331	BP	12/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	8.549	\$20.00
332	BP	12/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.678	\$55.38
333	BP	12/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.255	\$25.01
334	BP	12/19/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	10.250	\$25.00
335	BP	12/20/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	30.822	\$73.55
336	BP	12/20/06	42622845 (Wellman Oil Co, US 421 North, Clinton)	22.800	\$55.97
337	BP	12/21/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	6.150	\$15.00
338	BP	12/22/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	6.149	\$15.00
339	BP	12/28/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	14.638	\$35.70
340	BP	12/28/06	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	21.416	\$54.38
341	BP	12/31/06	5641725 (Cedar Creek Cntry St., 1930 Cedar Creek Rd., Fayetteville	22.950	\$55.52
342	BP	01/02/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.818	\$33.15
343	BP	01/05/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	0.268	\$0.64
344	BP	01/05/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.346	\$56.01

(1) documentation not available

Indicated purchase was for Southeastern's van

TABLE 1 (continued) Questioned Fuel Purchases January 2005 – February 2007					
COUNT	BILLING	DATE	LOCATION	GAL	TOTAL CHARGES
345	BP	01/07/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.288	\$10.29
346	BP	01/10/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.343	\$45.44
347	BP	01/10/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	11.038	\$25.38
348	BP	01/12/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	19.630	\$45.13
349	BP	01/12/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.087	\$8.99
350	BP	01/18/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	11.741	\$25.00
351	BP	01/23/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.730	\$28.00
352	BP	01/24/07	5641725 (Cedar Creek Cntry St., 1930 Cedar Creek Rd., Fayetteville	21.819	\$51.47
353	BP	01/25/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	24.995	\$53.46
354	BP	01/26/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	26.003	\$53.02
355	BP	01/26/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.163	\$35.00
356	BP	01/30/07	5641725 (Cedar Creek Cntry St., 1930 Cedar Creek Rd., Fayetteville	15.870	\$36.80
357	BP	01/31/07	6786727 (Hasty Mart #44, 5477 Hwy 42 West, Clayton	14.657	\$30.77
358	BP	02/05/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	25.856	\$58.15
359	BP	02/06/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.776	\$51.68
360	BP	02/07/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	23.566	\$53.00
361	BP	02/08/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	17.682	\$38.00
362	BP	02/08/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	4.653	\$10.00
363	BP	02/08/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	13.958	\$30.00
364	BP	02/11/07	6862924 (Traveler's BP 2300 Carthage Rd, Lumberton	22.334	\$50.23
Totals				5,778.6520	\$14,142.67
(1) documentation not available Indicated purchase was for Southeastern's van					

GRANTEE'S RESPONSE



Southeastern Family Violence Center

108 West 9th Street Post Office Box 642

Lumberton, NC 28359

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Leslie W. Merritt, Jr., CPA, CFP
State Auditor
2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0601

Dear Mr. Merritt,

June 13, 2007

RE: Southeastern Family Violence Center (SFVC) limited procedures April/May 2007

I am writing as requested in your letter dated May 31, 2007 to provide a response to your limited procedures of April/May 2007. I will respond to each finding individually as you have requested.

The Board of Directors met on June 11, 2007 to finalize our response to you. As you may be aware we have provided services to Robeson and surrounding counties for over 25 years, we look forward to continuing that service in the future. It is with this in mind that we understand the need to be good stewards of public and private funds.

Please feel free to contact me if you have additional questions.

Sincerely,



Sherry L. Edwards, MSW, PhD
Board of Directors

Southeastern Family Violence Center

108 West 9th Street

Lumberton NC 28358



GRANTEE'S RESPONSE

- 1) Southeastern Family Violence Center (SFVC) does not have an adequate chart of accounts to allow tracking of state grant funds.

As of May 1, 2007 we have implemented a chart of accounts that will allow expenditures to be linked to funding source.

QuickBooks for Non-Profits is being utilized to accurately track expenses being paid under each budgeted line for each state grant. Each expense/deposit that is paid is coded under the appropriate grant/class. Each month a statement of profit and loss is generated and submitted to the board of directors for review. This statement details what is budgeted for each line item expense and what has been expended for the current month as well as year-to-date. The board will know exactly what has been spent for each grant by line item expense.

State grant funding reports will be consistent with the accounting system.

We have hired a part-time bookkeeper who is educated in the field of accounting to ensure income and expenditures are accurately coded in accounting system.

We also plan to send the bookkeeper and the Interim Director to trainings through the State Auditor's office in order to ensure continued compliance with all federal and state regulations.

- 2) Southeastern Family Violence Center's Internal Control Policies and Procedures need strengthening.

We have strengthened and adopted (6/11/07) our Conflict of Interest Policy. The Board and the Interim Executive Director will meet with the staff in July and review the Conflict of Interest Policy and make sure all staff receive a copy. The Board will also periodically ensure that the policy is being implemented.

We have updated our Procurement Policy and our Internal Controls policy to describe the processes for payment of invoices, account receivables/payables, reconciliation activity, program expense allocations and deposit of funds.

- 3) Conflict of Interest Situations were evident at Southeastern Family Violence Center

The Board of Directors adopted and implemented a Conflict of Interest policy as required by G.S. 143-6.2(b1) on June 11, 2007. The original Conflict of Interest policy adopted by the Board of Directors was not sufficient to meet all the requirements as stipulated in the General Statute.

We are currently reviewing the issues listed as concerns under this item.
Displaced Homemakers Funds

GRANTEE'S RESPONSE

The Executive Directors daughter's file is being reviewed to determine if these funds were properly reimbursed. We will be working with the grant staff to ensure that we are in compliance with all eligibility requirements. We will be meeting with the previous Executive Director to determine the appropriate outcome.

The Lowe's Credit Card

We have implemented a new policy regarding credit cards. They cannot be applied for without written consent of the Board.

We are also canceling the Lowe's Credit Card and the Office Depot Credit Card. (Cancelled as of June 13, 2006)

We will follow the requisition/reimbursement policy and procedure as described in the Procurement Policy for those expenses in the future.

We have made a statement regarding credit cards in the Procurement Policy prohibiting the use of SFVC credit cards for personal use.

The credit card bills will be reviewed by the Board of Directors on a regular basis to ensure that they are being used appropriately.

- 4) Southeastern Family Violence Center did not comply with all the requirements of its displaced homemaker grant.

Eligibility issues-

We are currently reviewing documentation with the Displaced Homemakers Grant staff. The Interim Executive Director with the assistance of the Board of Directors has worked with the staff to ensure that we are in compliance with the expectations of the grant.

Absence of time records-

We currently have all of the signed time records for the managers of the Displaced Homemakers Grant. We are missing many of the Executive Directors time sheets. The Policy and Procedure manuals makes it clear that the Executive Director's time sheet must be submitted and signed off by the Board Chair, this procedure is currently being implemented and we are in compliance with this requirement.

Over-reporting of clients and expenditures from July 2005 to December 2006.

Due to our inadequate accounting system we are unable to determine the problems associated with the over-reporting. It is evident that the monies were deposited in the SFVC accounts and were used to pay for the general expenses of the center and center clients. The Interim Director and the staff in conjunction with the Board of Directors will ensure that all funds will be clearly accounted for in our new accounting system.

We have also implemented a procedure that will ensure that only appropriate funds will be drawn from the funding sources.

GRANTEE'S RESPONSE

5) Southeastern Family Violence Center Used Grant Funds to Pay for Excessive Amounts of Fuel.

Vehicle travel logs have been placed in each agency vehicle detailing start mileage, end mileage, purpose for travel and gas purchases. Receipts for gas purchases will be kept with the log until the end of the month at which time the Executive Director will review and approve. All purchases for gas for the SFVC will be made using the gas credit card.

Gas charge card cannot be used to purchase gas for any employee's personal vehicle.

If gas is purchased for a client's vehicle this will be noted on the receipt and the requisition form; a copy will be placed in the client file.

The travel log will be used to determine the purpose of the travel and will be charged to the appropriate funding source. The procurement policy outlines these procedures.

The Board of Directors is currently reviewing the purchases to determine if the funds were used appropriately. We will be meeting with the previous Executive Director to determine the appropriate outcome.

We will also follow the recommendation and direction of the State Displaced Homemakers grant staff.