

JOINT COMMITTEE ON GOVERNMENT AND FINANCE
WEST VIRGINIA OFFICE OF THE LEGISLATIVE AUDITOR

POST AUDIT DIVISION

LEGISLATIVE AUDIT REPORT

PUBLIC SERVICE COMMISSION

FIREARMS & AMMUNITION INVENTORY

DRAFT

Legislative Auditor: Aaron Allred
Post Audit Division Director: Justin Robinson



GENERALLY ACCEPTED GOVERNMENT
AUDITING STANDARDS STATEMENT

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (**GAGAS**). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

POST AUDIT DIVISION
Director, Justin Robinson

POST AUDIT DIVISION

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WEST VIRGINIA PUBLIC SERVICE COMMISSION: FIREARMS & AMMUNITION INVENTORY

April 30, 2019

LEGISLATIVE AUDITOR'S STAFF CONTRIBUTORS

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Executive Summary

The Legislative Auditor conducted this audit of the Public Service Commission pursuant to W.Va. Code §4-2-5. The Objective of this review was to determine whether the PSC is in compliance with the inventory requirements for state-owned firearms, and to determine whether it has adequate physical controls in place to safeguard its firearms and ammunition. The findings of this audit are highlighted below.

Report Highlights

Issue 1: The West Virginia Public Service Commission Maintains a Complete and Accurate Inventory of Its Firearms, As Required by Law, and Has Strong Physical Controls in Place to Safeguard Firearms and Ammunition. However, the Public Service Commission Does Not Maintain an Adequate Inventory for Ammunition.

- The PSC is in compliance with the State's inventory requirement for state-owned firearms.
- The PSC has strong physical controls in place to safeguard all of its firearms and its ammunition. However, the PSC does not currently maintain an adequate inventory record for its ammunition.

Recommendations

1. The Legislative Auditor recommends that the Public Service Commission maintain a complete and accurate inventory of its ammunition.
2. The Legislative Auditor recommends the Legislature consider amending the West Virginia Code to require all spending units to maintain a complete and accurate inventory of their ammunition.
3. The Legislative Auditor recommends that the PSC consider purchasing and issuing all of the firearms needed for its enforcement officers to execute their job duties.
4. The Legislative Auditor recommends that the practice of spending units issuing firearms under its custody to another spending unit's law enforcement officers cease, and that all firearms remain in the custody of the spending unit, or its officers, for which the firearms are purchased.

Post Audit's Response to the Agency's Written Response

On March 18, 2019, Post Audit received a written response from the Public Service Commission (Appendix C). The PSC indicates that it has no objections to the report because it suggests controls which it believes will improve the already excellent controls the agency has in place.

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Issue 1: The West Virginia Public Service Commission Maintains a Complete and Accurate Inventory of Its Firearms, As Required by Law, and Has Strong Physical Controls in Place to Safeguard Firearms and Ammunition. However, the Public Service Commission Does Not Maintain an Adequate Inventory for Ammunition.

During the ongoing audit of the West Virginia Public Service Commission (PSC), the Legislative Auditor became aware that the PSC possesses firearms for use by its enforcement officers in the Transportation Division. Consequently, the Legislative Auditor conducted a comprehensive asset inventory review of 100 percent of the PSC's firearms. In addition, the Legislative Auditor performed a review of physical controls and security that the PSC has in place to safeguard both its firearms and ammunition.

Under the provisions of W.Va. Code §30-29, motor carrier inspectors and weight-enforcement officers (collectively, enforcement officers) employed by the PSC are required to be certified law enforcement officers. As such, the Public Service Commission purchases and issues firearms to its active Transportation Division enforcement officers. As of February 2019, the PSC's firearms inventory comprised 84 service pistols and one shotgun. The PSC stores 44 firearms (43 pistols and 1 shotgun) in a gun safe at PSC headquarters in Charleston and has assigned 41 pistols to transportation enforcement officers in the field. An inventory listing of these firearms is maintained by the PSC in the wvOASIS Fixed Asset Management System, as well as a separate inventory listing that is maintained internally.

The Public Service Commission Is in Compliance with the State's Inventory Requirements for Firearms.

W.Va. Code §5A-3-35 requires the head of each spending unit to:

[O]n or before July 15, of each year, file with the director an inventory of all real and personal property, and of all equipment, supplies and commodities in its possession as of the close of the last fiscal year, as directed by the director.

In addition, the PSC is subject to the Department of Administration's Surplus Property Operations Manual, which establishes thresholds that define which assets must be reported into the wvOASIS Fixed Asset System. Per the Surplus Property Operations Manual, "reportable asset" is defined as:

1. All assets with an acquisition cost of \$1,000 or more and a useful life of one year or more;
2. all laptops and CPU's costing \$500 or more; and
3. **all firearms, regardless of cost** (emphasis added).

To determine if the PSC was operating an inventory management system as required by State law, the Legislative Auditor conducted a physical inventory of all 85 of the PSC's firearms. The Legislative Auditor performed an on-site inspection of the 44 firearms at PSC headquarters in Charleston and confirmed the make, model, serial number, and custodianship against the

wvOASIS inventory record. The Legislative Auditor also employed audit procedures to confirm that the 41 firearms issued and assigned to its enforcement officers were also properly inventoried and accounted for, as well as being in the custody of the officer to which the inventory record listed as the custodian. Additionally, an interview with PSC management regarding its inventory procedures over firearms and ammunition was conducted.

The Legislative Auditor noted **no discrepancies** between the physical inspection and the PSC's firearms inventory record. All 85 of the PSC's firearms were accounted for, entered into wvOASIS with the correct serial number, and each firearm was found to be in the custody of the individual to whom it was assigned. **The Legislative Auditor determines the PSC is in compliance with the State's inventory requirements for firearms.**

The Public Service Commission Has Strong Physical Controls in Place to Provide Adequate Security Over Its Firearms and Ammunition.

In addition to evaluating the PSC's compliance with State inventory requirements, the Legislative Auditor evaluated the physical controls and secure storage of firearms and ammunition located at the PSC's Charleston headquarters.

The PSC conducts bi-annual inventories of all their firearms. For the firearms located at the PSC's Charleston headquarters, personnel from the PSC's Transportation Division Logistics Section verifies that the serial number on each weapon and the custodian listed in wvOASIS match and confirm that all guns are in proper working order. The PSC takes an inventory of in-service firearms bi-annually at the time each enforcement officer obtains qualification at the State Police Academy.

Upon completion of the internal inventories, the PSC personnel conducting the review certifies the results of his review and transmits the results to the director of the Transportation Division. Upon approval by the director, the PSC Chairman receives the finalized inventory report, which is then provided to the Administrative Division to update and reconcile the physical inventory with the wvOASIS listing.

During an on-site visit, the Legislative Auditor observed the storage location where the PSC's management maintains all firearms and ammunition that are not in the field. This included interviews with the PSC's management, all of whom have extensive professional backgrounds in proper security and maintenance of firearms, regarding their storage, security, training, and procedures governing firearms. In addition, the Legislature Auditor reviewed the PSC's internal policies and procedures governing firearms and ammunition.

The Legislative Auditor observed that PSC has a locked storage room dedicated to housing firearms and ammunition. The room is accessible by a single, locked metal door. Access to this room is limited to three PSC managers who have sole custody of the three keys to the weapons storage room. Within the storage room, firearms are secured in a locked, fireproof, combination safe. Ammunition boxes are stored separately from firearms in locking metal cabinets. Additionally, there is a sprinkler system in the room to mitigate the risk of fire and explosions.

Figure 1. Secure Firearms Safe



Although the Legislative Auditor determined that the PSC had strong physical controls over guns and ammunition overall, the Legislative Auditor noted areas of concern that were deemed inconsequential to the overall security of these assets and, thus, were not included in this report. This information was submitted to PSC in a management letter, which can be found in Appendix D.

The Public Service Commission Does Not Maintain an Adequate Ammunition Inventory Record.

The Legislative Auditor requested a copy of the PSC's inventory record for its ammunition. In response, the PSC stated: *"The PSC does not maintain a bullet-count inventory or a box inventory record but does estimate and monitor inventory on hand."* The PSC indicates that it has approximately 30,000 regular rounds for practice and 10,000 rounds on hand for field use.

The Legislative Auditor notes that under current State law, there is no requirement pertaining to inventory records for ammunition, as there is for firearms. However, best practices dictate that spending units should establish effective policies for inventorying ammunition. In December 2018, the U.S. Government Accountability Office issued a report on the purchasing and inventory controls of firearms and ammunition possessed by federal law enforcement. The report

documents several federal agencies with law enforcement personnel who maintain a complete inventory of all ammunition rounds. The reported inventories ranged from nearly 15,000 rounds to one federal entity reporting in excess of five million bullets in its inventory.

The Legislative Auditor examined several performance audits conducted by the Office of the Inspector General for the U.S. Department of Justice. These audits were performed on federal agencies who employ personnel designated as law enforcement officers. Consistent in these reports is language regarding the importance of accurately tracking and maintaining inventory of ammunition:

Strong controls over ammunition, which in our judgement is a sensitive item, requires an inventory management system that maintains accurate, current, and historical data. This includes tracking product movement—increases and decreases in inventory and the reason for the changes in quantity—over time.

Without sufficient controls over this sensitive property, the [auditee] cannot be assured that its inventories of . . . munitions are adequately safeguarded. Most significantly, the deficiencies we identified increase the risk that the [auditee's] weapons and munitions can be lost, misplaced, or stolen without being detected.

These reports and related recommendations classified ammunition as a “sensitive item,” warranting extra consideration when developing controls and safeguards. The Legislative Auditor concludes that lost, stolen, misplaced, or misused state-owned munitions pose a substantial risk to public safety and risk of liability to the State. An accurate and up-to-date ammunition inventory record is a common best practice for law enforcement agencies and adds an extra layer of security for such a sensitive inventory item. **Therefore, the Legislative Auditor recommends that the Public Service Commission maintain a complete and accurate inventory of its ammunition. Further, the Legislative Auditor recommends the Legislature consider amending the West Virginia Code to require all spending units in possession of firearm ammunition to maintain a complete and accurate inventory of their ammunition.**

Two Public Service Commission Enforcement Officers are in Possession of Firearms Which are Assets of Another State Spending Unit.

When conducting the physical inventory of the PSC’s firearms, the Legislative Auditor was informed that certain enforcement officers have additional shotguns issued to them which are not owned or issued by the PSC. In an interview with PSC officials, they stated:

PSC enforcement officers assigned to [patrol] the WV Turnpike have shotguns in their possession for enforcement duties. The shotguns, however, are the property and under the custody of the WV [Parkways] Authority. They are not under the care and custody of the PSC and are not reflected in the PSC inventory.

The Legislative Auditor questions whether the practice of one spending unit informally transferring physical possession of its firearms to another spending unit is a prudent best practice. **Therefore, the Legislative Auditor recommends that the PSC consider purchasing and issuing all of the firearms needed for its enforcement officers to execute their job duties. Further, the Legislative Auditor recommends that the practice of spending units issuing firearms under its custody to another spending unit's law enforcement officers cease, and that all firearms remain in the custody of the spending unit, or its officers, for which the firearms are purchased.**

Conclusion

The Legislative Auditor determined the PSC's inventory management system is operating in compliance with applicable W.Va. Code, the Department of Administration's Surplus Property Operation's Manual, and best practices. Further, the PSC has strong physical controls in place to properly safeguard all firearms and ammunition. However, the Legislative Auditor determined that the PSC does not maintain an accurate and complete inventory record for its ammunition.

Recommendations

1. The Legislative Auditor recommends that the Public Service Commission maintain a complete and accurate inventory of its ammunition.
2. The Legislative Auditor recommends the Legislature consider amending the West Virginia Code to require all spending units to maintain a complete and accurate inventory of their ammunition.
3. The Legislative Auditor recommends that the PSC consider purchasing and issuing all of the firearms needed for its enforcement officers to execute their job duties.
4. The Legislative Auditor recommends that the practice of spending units issuing firearms under its custody to another spending unit's law enforcement officers cease, and that all firearms remain in the custody of the spending unit, or its officers, for which the firearms are purchased.

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WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

Post Audit Division

Appendix A

1900 Kanawha Blvd. East, Room W-329
Charleston, WV 25305-0610
(304) 347-4880



Justin Robinson
Director

March 7, 2019

Michael Albert, Chairman
Public Service Commission
201 Brooks Street
Charleston, WV, 25301

Dear Chairman Albert:

This is to transmit a draft copy of the Post Audit Divisions report on the West Virginia Public Service Commission's inventory and physical controls over firearms and ammunition. This report is tentatively scheduled to be presented during the next interim meeting of the Post Audits Subcommittee. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to respond to the report and answer any questions committee members may have during or after the meeting.

If you would like to schedule an exit conference to discuss any concerns you may have with the report, please contact me at 304-347-4880. In addition, we request your written response by noon on **Friday, March 22, 2019** in order for it to be included in the final report. Thank you for your cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin Robinson".

Justin Robinson
Director

Enclosure

Appendix B

Objective, Scope, and Methodology

The Post Audit Division within the Office of the Legislative Auditor conducted this review as authorized by Chapter 4, Article 2, Section 5 of the West Virginia Code, as amended.

Objective

The objectives of this review were to determine if the weapons inventory system utilized by the Public Service Commission (PSC) accurately accounts for the weapons and ammunition which the PSC controls, and to determine if the PSC has adequate physical controls in place to safeguard firearms and ammunition.

Scope

The scope of this review consists of evaluating the effectiveness of the Public Service Commission's inventory system of firearms and ammunition under PSC control to ensure the system is accurate and up to date and that the storage facilities are adequate, safe, and secure. The scope consists of a review of 100% of the firearms in possession of the PSC as of Fiscal Year 2019, which encompasses both the firearms and ammunition located at PSC Central Office in Charleston, WV, as well as firearms assigned to PSC law enforcement officers in the field.

Our scope does **not** include an examination of the PSC's in-service "qualifications" which are biannual firearms training sessions held at the State Police Academy. A complete analysis of the PSC transportation building is outside of the scope of this audit.

Methodology

Post Audit staff gathered and analyzed several sources of information and assessed the sufficiency and appropriateness of the information used as evidence. Testimonial evidence was gathered through interviews with various agencies that oversee, collect, or maintain information. The purpose for testimonial evidence was to gain a better understanding or clarification of certain issues, to confirm the existence or non-existence of a condition, or to understand the respective agency's position on an issue. Such testimonial evidence was confirmed by either written statements or the receipt of corroborating or physical evidence.

Audit Staff examined the records of the PSC concerning the firearms in the agency's possession and compared these records with a physical inventory of 100 percent of the PSC's firearms. The methodology also included an examination of the physical controls and secure storage PSC has in place regarding firearms and ammunition.

Audit staff analyzed various source documents that were either provided to us by the PSC, wvOASIS, or publicly available on the internet. Sources include:

1. PSC's internal firearms inventory record
2. PSC's fixed asset listing in wvOASIS
3. List of PSC personnel issued firearms
4. PSC's internal policies for firearms and ammunition inventory
5. PSC's training policies for enforcement officers who have been issued firearms

6. Best practices for firearm and ammunition inventory tracking; as well as best practices relating to safeguarding and securing firearms and ammunition. The best practices relied upon by audit staff came primarily from Federal Agencies such as the U.S. Government Accountability Office and the Office of the Inspector General for the U.S. Department of Justice.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings.

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Public Service Commission

Jessica M. Lane, General Counsel

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E-mail: jlane@psc.state.wv.us

March 18, 2019

Via electronic and hand-delivery

Adam R. Fridley, CGAP, Audit Manager
West Virginia Legislative Auditor's Office
Post Audit Division
1900 Kanawha Boulevard, East, Room W-329
Charleston, West Virginia 25305-0610

Re: Firearms Inventory Audit Report

Dear Mr. Fridley:

Thank you for forwarding for our review your draft Public Service Commission Firearms Inventory Audit Report on March 7, 2018 - as corrected and provided by email to me on March 12, 2019. Please consider this letter as our comment in response to your draft.

The Commission has no objection to the draft report because it suggests steps or controls that we believe will improve the already excellent Commission program for the handling of weapons and ammunition. The draft report also confirms that the Commission is not in violation of any applicable rule or regulation.

Best regards.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jessica M. Lane".

Jessica M. Lane,
General Counsel

Attachments

cc: Michael A. Albert, Chairman
Cheryl Ranson, Director, Administration Division
Bob Blankenship, Director, Transportation Division

WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

Post Audit Division

Appendix D

1900 Kanawha Blvd. East, Room W-329
Charleston, WV 25305-0610
(304) 347-4880



Justin Robinson
Director

March 7, 2019

Michael Albert, Chairman
Public Service Commission
201 Brooks Street
Charleston, WV, 25301

Dear Chairman Albert:

We have completed our audit of the firearms inventory and related internal controls utilized by the West Virginia Public Service Commission. The scope of this objective included an evaluation of the effectiveness of the Public Service Commission inventory system of firearms, and ammunition under PSC control to ensure the system is accurate and up to date, and that the storage facilities are adequate, safe, and secure. The examination yielded one finding on the lack of an inventory system for ammunition, which will be published in a report during the 2019 interims. A draft of this letter report was delivered to you on March 7, 2019, and the final released report and PSC's management response will be posted on the West Virginia Legislative website.

In addition to the published finding, we noted additional areas of concern that we deemed inconsequential to the overall operations of the agency and, thus, was not included in the final report. Nevertheless, we believe these issues merit the attention of the Public Service Commission's management. The items are detailed as follows:

Item Noted: We noted the PSC has no policy requiring the use of access control logs, which serve to track personnel entering the firearms and ammunition storage area. Normal operating procedure is for the one of the three managers assigned keys to enter the weapon storage room unaccompanied. On occasion, the firearms instructor may accompany a manager in order to load ammunition for transport to qualification.

Recommendation: In order to ensure the proper safeguarding of its inventory of firearms and ammunition, we believe the PSC should adopt policies requiring the use of an access control log, whether manually or electronically, that records all entries into the weapons storage room.

Item Noted: We noted the PSC has no policy requiring the changing of the locks and/or keys to the weapons storage area; as well as no policy regarding the

changing of the combination to the safe housing the firearms inside the weapons storage area. The PSC is not aware of whether the keys to the room and/or the combination to the safe have been changed.

Recommendation: In order to ensure that only the appropriate individuals have access to the agency's firearms and ammunition the PSC should adopt policies requiring the changing of the locks and/or keys, together with the combination to the safe, when individuals currently in possession of these items separate employment, as well as at designated time intervals.

Item Noted: We noted the PSC stores ammunition in cabinets similar in shape and style to general office-type filing cabinets. While this storage system is adequate, the Legislative Auditor believes the agency could enhance its ability to properly safeguard ammunition by utilizing a more robust storage apparatus for ammunition. Ammunition is a sensitive and potentially dangerous inventory item that warrants extra consideration when selecting storage containers.

Recommendation: The PSC should give consideration to the cost and benefit of purchasing an ammunition security cabinet, or similar container, which are generally available from gun safe manufactures.

If you have any questions or comments concerning these recommendations, feel free to contact me or Adam R. Fridley, CGAP, Audit Manager, at (304) 347-4880. Thank you for the cooperation and assistance received from the Public Service Commission staff during this audit.

Sincerely,



Justin Robinson
Director



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