



E. SCOTT PRUITT  
ATTORNEY GENERAL OF OKLAHOMA



April 21, 2011

The Honorable Gary Jones  
State Auditor and Inspector  
100 State Capitol Building  
2300 N. Lincoln Blvd.  
Oklahoma City, OK 73105-4802

Re: Allegations of Wrongdoing Regarding Awarding of Tar Creek Reclamation Contracts by or on behalf of the Lead-Impacted Communities Relocation Trust (LICRAT)

Dear Mr. Jones:

I have received the enclosed *Memoranda* from Jerry Morris, State Director for the Honorable Tom A. Coburn, U.S. Senator, expressing certain concerns brought to the attention of the Senator and his staff pertaining to the awarding of certain contracts for reclamation of properties in the Tar Creek area. Forwarded with these *Memoranda* was a large quantity of documents gathered and supplied in support of the several allegations. The concerns expressed by the *Memoranda* are in reference to the suspected unlawful contracting practices of the Lead-Impacted Communities Relocation Trust (also known as LICRAT), a Public Trust and Agency of the State of Oklahoma, as attempted to be executed on its own behalf and later executed through the auspices of the Department of Central Services, also a State Agency. I have determined that these concerns are serious in nature such that an investigation of the matter is warranted.

I hereby request, pursuant to 74 O.S. 2001, § 18f, that you undertake an Investigative Audit of these matters and provide a report of your findings to address the following concerns:

1. In regard to the *Lead-Impacted Communities Relocation Assistance Trust Property Improvement Clearance Project* that was let and awarded on or about March 24, 2010 by the LICRAT:

A. Were bids solicited, received and contract awarded pursuant to the provisions of the *Public Competitive Bidding Act of 1974* (as amended), 61 O.S. 2001, §§101 *et seq.*?

B. If the contract was awarded to any bidder than the lowest bidder, was a credible written explanation of the award of bid filed in accordance with 61 O.S. 2001, § 117?

C. Is there any evidence of an agreement or collusion among bidders, prospective bidders and/or material suppliers in restraint of freedom of competition [including, but not limited to, whether the winning bidder served as a "straw bidder" for an actual other person or entity], 61 O.S. Supp. 2008, § 115? If so was a knowingly false affidavit of non-collusion filed in support of a bid, 74 O.S. Supp. 2009, §85.22? Were the rights to the contract unlawfully transferred from the winning bidder to another person or entity?

D. Is there any evidence of an illegal conflict of interest between the entity awarded the winning bid and any Trustee of the public trust or its chief administrative officer contrary to 61 O.S. 2001, § 114?

E. Is there any evidence of any unlawful disclosure(s) by any person contrary to 61 O.S. Supp. 2006, § 116?

F. Is there any evidence that the successful bidder knowingly provided misstatements of existing or past material fact(s) to the Public Trust in support of its bid for the award of the contract, 21 O.S. 2001, § 1541.1 and 1541.2?

G. Is there any evidence that two (2) or more persons agreed to take, and thereafter undertook, any action or make any representation to the Public Trust calculated to impair, obstruct or defeat the Public Trust in its lawful function of awarding the contract to the lowest and best bidder, 21 O.S. 2001, § 424?

H. Is there any evidence that the awarding of the contract was influenced in any way by the promise or transfer of some thing of value or gift to a public official or employee, 21 O.S. 2001, §§381 & 382, 21 O.S. 2001, § 341(First), or 74 O.S. 2001, § 3401 *et seq.*?

I. Is there any evidence of an Open Meeting violation by the LICRAT Trustees in the awarding of the contract, 25 O.S. 2001, § 314? If so, has the District Attorney taken any action in regard to that event?

2. In regard to the re-letting of the contract by LICRAT through the Department of Central Services:

A. A. Were bids solicited, received and contract awarded pursuant to the provisions of the *Public Competitive Bidding Act of 1974* (as amended), 61 O.S. 2001, §§101 *et seq.*?

B. If the contract was awarded to any bidder than the lowest bidder, was a credible written explanation of the award of bid filed in accordance with 61 O.S. 2001, § 117?

C. Is there any evidence of an agreement or collusion among bidders, prospective bidders and/or material suppliers in restraint of freedom of competition [including, but not limited to,

The Honorable Gary Jones,  
State Auditor and Inspector

-3-

April 21, 2011

whether the winning bidder served as a "straw bidder" for an actual other person or entity], 61 O.S. Supp. 2008, § 115? If so was a knowingly false affidavit of non-collusion filed in support of a bid, 74 O.S. Supp. 2009, §85.22? Were the rights to the contract unlawfully transferred from the winning bidder to another person or entity?

D. Is there any evidence of an illegal conflict of interest between the entity awarded the winning bid and any Trustee of the public trust or its chief administrative officer contrary to 61 O.S. 2001, § 114?

E. Is there any evidence of any unlawful disclosure(s) by any person contrary to 61 O.S. Supp. 2006, § 116?

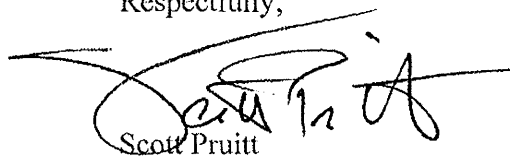
F. Is there any evidence that the successful bidder knowingly provided misstatements of existing or past material fact(s) to the Public Trust in support of its bid for the award of the contract, 21 O.S. 2001, § 1541.1 and 1541.2?

G. Is there any evidence that two (2) or more persons agreed to take, and thereafter undertook, any action or make any representation to the Public Trust calculated to impair, obstruct or defeat the Public Trust in its lawful function of awarding the contract to the lowest and best bidder, 21 O.S. 2001, § 424?

H. Is there any evidence that the awarding of the contract was influenced in any way by the promise or transfer of some thing of value or gift to a public official or employee, 21 O.S. 2001, §§381 & 382, 21 O.S. 2001, § 341(First), or 74 O.S: 2001, § 3401 *et seq.*?

I also provide herewith the several documents supplied to us by Senator Coburn's office.

Respectfully,

A handwritten signature in black ink, appearing to read "Scott Pruitt", written over a horizontal line.

Scott Pruitt  
Attorney General

ENCLOSURES

cc: file