



GREGORY W. SULLIVAN
INSPECTOR GENERAL

The Commonwealth of Massachusetts
Office of the Inspector General

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April 10, 2012

William Lantigua, Mayor
City of Lawrence
200 Common Street
Lawrence, Massachusetts 01840

RE: Lawrence Police Department Car Swap

Dear Mayor Lantigua:

Reference is made to a swap in mid-2010 of motor vehicles between the Lawrence Police Department (LPD) and Santo Domingo Motors (Dealer), specifically to the transfer of 13 LPD owned motor vehicles ("Department Vehicles") for 4 Dealer owned motor vehicles ("Dealer Vehicles"). The LPD is a department of the City of Lawrence, and is therefore a governmental body as defined in M.G.L. c. 30B, §2. A motor vehicle is a supply under the same statute. As the LPD both disposed of and procured supplies under the swap transaction, the Department Vehicle and the Dealer Vehicle transfers were subject to M.G.L. c. 30B.

The Department Vehicles fall into three ownership categories: (1) those held by the LPD pursuant to a gift or donation; (2) those forfeited to the LPD in connection with criminal drug cases; and (3) those transferred to the LPD by the United States Marshal. Depending on the category, the applicable laws are the Massachusetts Uniform Procurement Act, M.G.L. c. 30B; the Massachusetts Controlled Substances Act, M.G.L. c. 94C; and the Federal Civil Forfeiture Statute, 18 U.S.C. §981.

Disposition Transactions

(a) Massachusetts Uniform Procurement Act, M.G.L. c. 30B

M.G.L. c. 30B applies to “every contract for the procurement of supplies ...and for the disposing of supplies ...by a governmental body.” M.G.L. c. 30B, §1(a). “Supplies” are “all property, other than real property, including equipment, materials, printing, and insurance and further including services incidental to the delivery, conveyance and installation of such property.” M.G.L. c. 30B, §2. The LPD is a governmental body and both the Department Vehicles and Dealer Vehicles are supplies under M.G.L. c.30B.

The LPD disposed of the Department Vehicles in a single transaction, so the value of the transaction is the total value of the vehicles rather than the values of each vehicle. A July 14, 2010 valuation by Wayne Demers of Motta Auto Body of Methuen (“Motta Valuation”) showed a range in total value of the Department Vehicles of \$18,000-\$26,000. The Motta Valuation did not provide separate prices on all Department Vehicles.¹

Under M.G.L. c. 30B, governmental bodies must dispose of surplus supplies in accordance with M.G.L. c. 30B, §15. Under that statute, a “governmental body shall offer such supply through competitive sealed bids, public auction, or established markets,” M.G.L. c. 30B, §15(b), unless the estimated net value of the supply is less than \$5,000, in which case “the procurement officer shall dispose of such supply using written procedures approved by the governmental body.” M.G.L. c. 30B, §15(f). Since the Department Vehicles were sold in a single sale the transaction value was over \$5,000, the LPD was required to sell the Department Vehicles using competitive sealed bids, a public auction, or established markets.

The LPD clearly did not use competitive sealed bids or a public auction. A sale to an automobile dealer is not a sale in an “established market”² since the disposition was a private sale transaction between the LPD and the Dealer.

As the disposition of the Department Vehicles failed to meet statutory requirements, the sale was not conducted in a manner required by law.

¹ In a letter to LPD Chief John J. Romero dated November 2, 2011 (attached), the Massachusetts Department of Revenue (“DOR Letter”) estimated the value of the Department Vehicles to be \$66,048, which is two to three times the Motta Valuation. DOR Letter, p. 4.

² “Established market” is not defined in the statute. However this Office interprets an “established market” as “one in which commodities is regularly sold in wholesale lots and prices are set by competition.” This is consistent with the Uniform Commercial Code definition of a permissible sale of collateral in a “recognized market”: “markets in which there are standardized price quotations for property that is essentially fungible, such as stock exchanges.” M.G.L. c. 106, §9-627, Comment 4.

(b) *Massachusetts Controlled Substances Act, M.G.L. c. 94C*

The Massachusetts Controlled Substances Act (MCSA) provides for the regulation of controlled substances by the Department of Public Health and for criminal sanctions for violations of the MCSA. The MCSA provides for the forfeiture of various types of property, including the controlled substance itself. Property subject to forfeiture includes motor vehicles:

The following property shall be subject to forfeiture to the commonwealth and all property rights therein shall be in the commonwealth: ...

(3) All conveyances, including aircraft, vehicles or vessels used, or intended for use, to transport, conceal, or otherwise facilitate the manufacture, dispensing, distribution of or possession with intent to manufacture, dispense or distribute, a controlled substance ...

M.G.L. c. 94C, §47(a)(3). According to the MCSA, a vehicle to which title is held by forfeiture may be sold pursuant to court order "at public auction or by competitive bidding." M.G.L. c. 94C, §47(d).

There is no evidence that the Department Vehicles to which title was held by forfeiture were sold either pursuant to a court order or by auction or bid. Compliance with M.G.L. c. 30B, §15 would have met the disposition requirements of M.G.L. c. 94C, §47(d). Since no process was followed in the disposition of the forfeited vehicles, the LPD was not in compliance with the MCSA.

(c) *Federal Civil Forfeiture Statute, 18 U.S.C. §§981-87*

Federal law also provides for forfeitures, both criminal and civil, under the Federal Civil Forfeiture Statute. 18 U.S.C. §§981-87.

The criminal forfeiture provision, 18 U.S.C. §982(b)(1), states that

[t]he forfeiture of property under this section, including any seizure and disposition of the property and any related judicial or administrative proceeding, shall be governed by the provisions of section 413 (other than subsection (d) of that section) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853).

That section provides, in part, that “[a]ll right, title, and interest in property ... vests in the United States upon the commission of the act giving rise to forfeiture.” 21 U.S.C. 853(c). In addition,

[f]ollowing the seizure of property ordered forfeited under this section, the Attorney General shall direct the disposition of the property by sale or any other commercially feasible means, making due provision for the rights of any innocent persons.

21 U.S.C. 853(h).

The civil forfeiture provision, 18 U.S.C. §981(d), states that the disposition procedures under the federal customs laws, which require that the public agency “sell the same at public auction in the same manner as merchandise abandoned to the United States is sold or otherwise dispose of the same in accordance with law.” 19 U.S.C. §1609(a).

The city did not have title to the Department Vehicles under the federal statutes. Even if it did, there is no evidence that the Department Vehicles to which title was held by federal forfeiture were sold by auction or in accordance with law. Compliance with M.G.L. c. 30B, §15 would have met the disposition requirements of the Federal Civil Forfeiture Statute’s civil and criminal provisions. Since no process was followed for the forfeited vehicles, the LPD was not in compliance with the Federal Civil Forfeiture Statute.

Acquisition Transaction

The procedure a governmental body must follow when procuring supplies depends on the value of the supply procured. The Motta Valuation showed the Dealer Vehicles valued at a “range in total between \$24-\$28K.” The Department of Revenue estimated the value of the Dealer Vehicles to be \$30,010. See DOR Letter, referenced at n. 1 above, p. 4.

Since the Dealer Vehicles were acquired as a single lot (as opposed to 4 separate transactions), the transaction value for M.G.L. c. 30B purposes is the value of all Dealer Vehicles. Under M.G.L. c. 30B a supply estimated to cost of \$5,000 or more but less than \$25,000 shall be procured by soliciting at least three quotes. M.G.L. c. 30B, §4(a). A supply estimated to cost \$25,000 or more shall be procured by using a sealed solicitation process, either under M.G.L. c. 30B, §5 (invitation for bids, or IFB) or M.G.L. c. 30B, §6 (request for proposals, or RFP).

The LPD did not solicit quotes or use either an IFP or a RFP process, which means that the procurement of the Dealer Vehicles was not conducted in a manner required by law.

Recommendations

Since the car swap took place over a year ago and the Dealer has sold the Department Vehicles to third party purchasers, it would be impractical if not impossible to undo the swap transfers. However, this transaction raises several important issues and suggests the need for clear procedures and better oversight.

As is obvious from the foregoing, the LPD did not meet the minimum legal requirements for disposing of and acquiring vehicles under M.G.L. c. 30B, or for disposing of forfeited property under the MCSA or the Federal Civil Forfeiture Statute. In whatever manner the Department Vehicles came into the LPD's possession, the LPD was required to dispose of them in accordance with the law.

Even if it had met all legal requirements, it is apparent from the DOR Letter that the LPD purchased and sold property without authorization or direction from the city. Acting Chief Procurement Officer Walter Callahan was never notified of the transactions, and both he and City Attorney Charles Boddy expressed "concerns with this transaction," suggesting they would not have approved the transaction had they known about it. DOR Letter, p. 2.

For a public contract to be valid and enforceable, the public official or employee entering into a contract must have the authority to approve, sign and bind the public jurisdiction to the contract. Generally, an employee derives the authority to bind the public jurisdiction to a contract through a written authorization by the employer to act as the employer's agent for that purpose. In almost all instances, if the individual entering into a contract on behalf of a public (or private) entity has not received the proper authority to bind the entity, no enforceable contract will be created. Furthermore, this Office does not have information that indicates that the LPD had received authority from the appropriate city official³ to conduct M.G.L. c.30B procurements and dispositions.

Finally, even if the LPD had complied with all applicable laws and had been authorized to enter into the purchase and sale transactions, the methodology used by the LPD appears to have disregarded the taxpayers' and its own interests, with the result that the LPD surrendered value of over \$30,000 to the Dealer without receiving any benefit in return. As noted above, the Motta Valuation stated that the Department Vehicles were worth \$18,000-\$26,000. The DOR estimated the value of the Department Vehicles (based on the Kelley *Blue Book*) at \$66,408. Using the same methodology, the DOR estimated the value of the Dealer Vehicles at \$30,000, resulting in the LPD transferring

³ Executive purchasing authority will be vested in the Mayor, a Chief Procurement Officer (CPO) or other municipal official based on the city's charter, bylaws, whether the city has appointed a COPO in accordance with M.G.L. c. 41, §103 or any applicable special legislation.

to the Dealer property worth \$36,398 more than what it got in return. Applying the standard of a prudent business person, the LPD did not act in its own best interests, especially when one considers the fact that the Dealer actually sold the Department Vehicles for \$61,350.

Based on the foregoing and to avoid similar situations in the future, I recommend the city take the following actions:

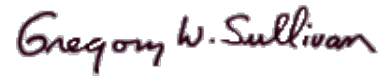
- Advise all personnel now and henceforth on a periodic basis that purchases of supplies and services and sales of municipal property can be made only with the authorization of the city's executive purchasing official, made in the form of a written delegation of authority;
- Advise all personnel that the general rule is that purchases of supplies and services and sales of municipal property are subject to the M.G.L. c. 30B;
- Educate appropriate personnel on the availability of free procurement training and materials found on this Office's website, including but not limited to a manual, *The Chapter 30B Manual: Legal Requirements, Recommended Practices, and Sources of Advice for Procuring Supplies, Services, and Real Property* (6th ed.)(5/11), an on line training class entitled "Bidding Basics" (http://www.mass.gov/ig/mcppo/bb_online.htm), Charts on Public Procurement Procedures (http://www.mass.gov/ig/mcppo/charts_proc.pdf), and access to a Chapter 30B phone line for questions and guidance staffed on business days from 9:00 A.M. to 4:30 P.M. (617.722.8838).
- Advise all personnel that this Office offers a permanent certification program for local officials on M.G.L. c. 30B through its *Massachusetts Certified Public Purchasing Official* continuing education program;
- Advise the LPD that it is subject to other state and federal laws when disposing of property that comes into its possession pursuant to a statutory procedure, and that it is not exempt from the rules and requirements that apply to municipal agencies generally; and
- Advise the LPD and other agencies that all property to which a municipality or its departments holds title, however acquired, is an asset that must be disposed of in a manner that most benefits the municipality, and that a disposition in a manner that is not commercially reasonable constitutes waste, and perhaps fraud and abuse.

Please let this Office know prior to May 31, 2012 what you have done to address these vulnerabilities in the city's processes.

William Lantigua, Mayor
City of Lawrence
April 10, 2012
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I hope the foregoing is helpful. If you have any questions please do not hesitate to contact my Office.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive, slightly slanted style.

Gregory W. Sullivan
Inspector General

cc: John J. Romero, Chief
Lawrence Police Department



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR
ADMINISTRATION AND FINANCE
STATE HOUSE ■ ROOM 373
BOSTON, MA 02133

JAY GONZALEZ
SECRETARY

ROBERT G. NUNES
LAWRENCE FISCAL OVERSEER

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November 21, 2011

Chief John J. Romero
Lawrence Police Department
90 Lowell Street
Lawrence, MA 01840

Dear Chief Romero,

I am writing to follow up on my concerns pertaining to the actions of the Lawrence Police Department (LPD) relative to the acquisition, control and transfer of thirteen motor vehicles that were exchanged for four motor vehicles owned by Santo Domingo Motors, a local automobile dealer.

As fiscal overseer, the materials you provided raise a number of issues. My review included those materials, as well as supplemental information that I obtained from the state Registry of Motor Vehicles ("RMV"). I will address in this letter the sources of my concern.

MOTOR VEHICLE CONCERNS:

There are four different categories of ownership for the thirteen motor vehicles that your department traded to Santo Domingo Motors in the spring of 2010. The actions taken by the LPD for the motor vehicles in each category provide me with concern.

1. Motor Vehicles Seized under Massachusetts General Laws chapter 94C, section 47, the State Civil Asset Forfeiture Statute:

The first category pertains to eight motor vehicles. The LPD came into possession of these vehicles pursuant to Massachusetts General Laws Chapter 94C, section 47, the state civil asset forfeiture statute. The statute establishes a process whereby a district attorney may petition a court to make an order assigning to the district attorney and local law enforcement authorities motor vehicles that were utilized in illegal narcotics transactions. Once a court order is issued, the motor vehicles may become the property of the police department investigating the illegal narcotics transaction. In this case, the Essex County

District Attorney petitioned a court for orders concerning eight of the motor vehicles in the possession of the LPD. Ultimately, a court authorized the transfer of the vehicles to the LPD.

With respect to this category of motor vehicles, your department failed to follow the process required pursuant to G.L. c. 94C, § 47. Under the statute, should the motor vehicles no longer be needed by the LPD, the motor vehicles must be sold "by public auction or by competitive bidding." The statute is quite specific in this regard. In addition, the letter issued by the Essex County District Attorney assigning the motor vehicles to the LPD placed your department on further notice of the need for a public auction or other competitive bidding process for each of the vehicles transferred to the LPD. In the District Attorney's letter, the last paragraph states as follows: "If your department should cease to have use for this motor vehicle, it must, pursuant to M.G.L. c. 94C, section 47, be sold at public auction or by competitive bidding, with any surplus beyond expenses being divided equally between your department and this office."

I am concerned that your department did not follow the statutory procedure for disposal of these vehicles. The proceeds of a sale of these vehicles must be shared with the District Attorney's Office and your department's Law Enforcement Trust Fund. In addition, your department failed to notify the City's Chief Procurement Officer to initiate a competitive sale process for these vehicles, in violation of both G.L. c. 94C, § 7, and the state's Uniform Procurement Statute, G.L. c. 30B. Former Chief Procurement Officer Walter Callahan and City Attorney Charles Boddy both expressed in letters sent to my attention their G.L. c. 30B concerns with this transaction.

2. Motor Vehicles Donated to the Lawrence Police Department:

The second category of motor vehicles involved in this transaction concerns three motor vehicles that were owned by the City. The status of each of the three motor vehicles is highlighted below:

a. 1997 Toyota Camry:

Documents provided by the RMV demonstrate that Metropolitan Insurance Company conveyed title of this motor vehicle to the National Insurance Crime Bureau, which, in turn, donated the vehicle to the LPD, according to a document entitled "Vehicle Use Agreement, Approved BHM 11.13.03", "for use in the investigation of auto-insurance related crimes."

b. 1997 Honda Accord:

Documents provided by the RMV indicate that 145 Marston Street, Inc., doing business as Coady's Towing Service ("Coady's"), donated this motor vehicle to the LPD on March 26, 2010. Coady's had acquired title to the motor vehicle under G.L. c. 255, § 39A, the Garage Keepers Lien Statute, allowing a towing company to take title of a motor vehicle

towed by order of a police department when the motor vehicle's owner fails, after notification, to pay towing and storage costs for the motor vehicle.

c. **2000 Buick Century:**

Documents provided by the RMV show that Michael's Motor Sales, Inc. donated this motor vehicle to the "City of Lawrence LPD" on August 14, 2006. Michael's Motor Sales, Inc. had obtained this motor vehicle through a local credit union that had repossessed the motor vehicle from the prior owner.

Since the LPD did not obtain title to these motor vehicles through the drug asset civil forfeiture law, these motor vehicles should have been considered as City assets and therefore disposition of these motor vehicles should have been handled through G.L. c. 30B, the Uniform Procurement Act, requiring the Chief to notify the City's Chief Procurement Officer if the Chief determines that the motor vehicles were surplus. Since the drug asset civil forfeiture law did not apply to these motor vehicles, as the motor vehicles were donated to the City, through LPD, a competitive sale of these vehicles should have been conducted by the Chief Procurement Officer, and the proceeds of a sale of these motor vehicles should have gone to the City's General Fund. Again, Former Chief Procurement Officer Walter Callahan and City Attorney Charles Boddy both expressed in letters sent to my attention their concerns with this transaction and stated that they were not made aware of any transactions regarding the aforementioned vehicles.

3. Motor Vehicle Acquired by the Lawrence Police Department through the Federal Civil Asset Forfeiture Statute:

The third category of motor vehicle involved in this transaction concerns the 2001 Acura MDX Sport Utility Vehicle. On September 10, 2007, pursuant to the Federal Civil Asset Forfeiture Statute, the United States Marshal's Service conveyed this motor vehicle to LPD. As with its state counterpart, the Federal Civil Asset Statute requires that certain procedures be followed prior to disposition of this motor vehicle.

4. Motor Vehicle for which the Lawrence Police Department Appears Not to Have Had Title:

The fourth category of motor vehicles involved in this transaction provides great concern. With respect to the 1999 Chevrolet Malibu involved in the transaction, the title trail is murky, as is the issue of how LPD could have conveyed the motor vehicle to Santo Domingo Motors if it had no valid title. The RMV documents demonstrate that on May 17, 2010, Sheehan's Towing, LLC ("Sheehan's Towing") had conveyed title of the 1999 Chevrolet Malibu to an individual. The individual filed with the RMV a form RMV-1 indicating that he had purchased the motor vehicle from Sheehan's Towing for the amount of \$1,800, and indicated that he had purchased an insurance policy for the motor vehicle, which was to take effect on May 27, 2010.

Sheehan's Towing had acquired title to the motor vehicle under G.L. c. 255, § 39A, the Garage Keepers Lien Statute, allowing a towing company to take title of a motor vehicle towed by order of a police department when the motor vehicle's owner fails to pay towing and storage costs for the motor vehicle. In the "Affidavit of Sale of Involuntarily Towed Vehicle under Provisions of M.G.L. c. 159B, s. 6B," filed with the Garage Keepers Lien Statute documents submitted by the RMV, Sheehan's Towing attested on May 12, 2010 that the motor vehicle was sold to the individual noted above.

The RMV documents provide no evidence of the titling of the motor vehicle to LPD. The sale by Sheehan's Towing of the motor vehicle on May 12, 2010 took place during the same week as the LPD's exchange of thirteen motor vehicles, including this motor vehicle, with Santo Domingo Motors. It appears that at no point did the LPD have lawful possession of this motor vehicle. Due to the status of the title, the LPD's sale of a motor vehicle that it did not own creates the possibility of a conversion of the motor vehicle from the record owner, and potential civil rights liability exposure, and at the least indicates a troublesome recordkeeping and property maintenance practice by the LPD.

VALUATION METHODOLOGY CONCERNS:

In addition to the legal issues raised, I have concerns about the valuation methodology utilized with respect to the appraisal by which you authorized the motor vehicle transaction. I have attached with this letter a valuation comparison between the appraisal performed for the LPD and the Kelley Blue Book valuations of the same motor vehicles, estimated to be in fair condition, and utilizing the odometer readings of the motor vehicles contained in the motor vehicle titles you provided to my attention. This analysis shows that there is a discrepancy of over \$60,000 for the total valuation of the vehicles utilizing the Kelley Blue Book values, as compared to the total valuation provided by the submitted LPD appraisal. In addition, the Kelley Blue Book valuation for the four Chevrolet Impalas that the LPD received in the transaction totaled roughly \$30,000. Thus, the \$66,408 Kelley Blue Book valuation for the motor vehicles traded by LPD to Santo Domingo Motors, contrasted with the \$30,000 Kelley Blue Book valuations for the motor vehicles received by LPD, demonstrate that the City's General Fund and the LPD's Law Enforcement Trust Fund lost approximately \$36,408 in this transaction. While valuations may fluctuate based upon the condition of the thirteen motor vehicles, ultimately, their values would have been determined through a competitive auction process and not through a third-party appraisal thereby ensuring fair and proper compensation. The lack of proper procedure deprived the City of attaining any such compensation.

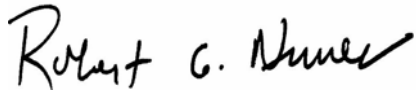
CONCLUSION:

In order to begin to remediate the many concerns that I have with this transaction, I am requesting that you reevaluate all internal controls, policies, procedures and/or protocol with the LPD in order to ensure that a transaction of this nature will not occur again. I will provide a copy of this letter to the City Attorney with a request that he and the City's Finance Director and his team assist you in this regard.

In addition, I encourage the LPD and all appropriate City personnel to notify and cooperate with the necessary investigatory authorities involved in this matter in order to address and remedy the issues highlighted in this letter.

I thank you for your continued cooperation. If you have any questions regarding this matter, please feel free to contact me at (617) 626-2381.

Sincerely,

A handwritten signature in black ink that reads "Robert G. Nunes". The signature is written in a cursive style with a prominent initial "R" and a checkmark-like flourish at the end.

Robert G. Nunes
Fiscal Overseer

Enclosure

cc: Mayor William Lantigua
City Council Members
Mark Ianello, Finance Director
Rita Brousseau, Chief Procurement Officer
Walter Callahan, former Chief Procurement Officer

LAWRENCE POLICE DEPARTMENT VEHICLES TRADE
Valuations of Vehicles, Kelley Blue Book, under Fair Condition, Private Sale

<u>Year:</u>	<u>Make and Model:</u>	<u>Kelley Blue Book Valuation:</u>
1. 2002	Lexus ES 300	\$11,325
2. 1998	Chevy Malibu	\$1,695
3. 2002	Cadillac Escalade	\$14,215
4. 1999	Dodge Caravan	\$2,090
5. 1995	Nissan Pathfinder	\$1,425
6. 2005	Chrysler 300	\$7,365
7. 1996	Toyota Camry	\$1,975
8. 2000	Buick Century	\$3,480
9. 1999	Chevy Malibu	\$2,028 (RMV value)
[listed in Chief's inventory, but there is no LPD title information]		
10. 2000	Volkswagen Jetta	\$4,375
11. 1997	Toyota Camry	\$3,720
12. 1997	Honda Accord	\$2,945
13. 2001	Acura MDX	\$9,770
Total:		<u>\$66,408</u>

WAYNE DEMERS' VALUATIONS

<u>Year:</u>	<u>Make and Model:</u>	<u>Demers Valuation:</u>
1. 2002	Lexus ES 300	\$Salvage
[Demers noted that vehicle had "broken mirror, trunk floor ugly"]		
2. 1998	Chevy Malibu	\$
[Demers did not report about this vehicle]		
3. 2002	Cadillac Escalade	\$No valuation provided
[Demers noted that the vehicle "was not running well, trashed interior]		
4. 1999	Dodge Caravan	\$1,100
[Demers noted that vehicle had "mold issue, no title, oil leak"]		
5. 1995	Nissan Pathfinder	\$100
[Demers noted that vehicle had "junk frame, rotted"]		
6. 2005	Chrysler 300	\$
[Demers did not report about this vehicle]		
7. 1996	Toyota Camry	\$100
[Demers noted that vehicle had "bad motor, rough"]		
8. 2000	Buick Century	\$200
[Demers noted that vehicle had "lower rust, tranny"]		
9. 1999	Chevy Malibu	\$675
[Demers notes that vehicle was "already given away" – but, to whom?]		
10. 2000	Volkswagen Jetta	\$Salvage
[Demers stated that vehicle "needs windshield"]		
11. 1997	Toyota Camry	\$200
[Demers incorrectly noted date as 1999, listed "alt, brakes, ball joints, Tie rods, needs 02 sensor"]		
12. 1997	Honda Accord	\$700
[Demers noted that vehicle "needs front bumper"]		
13. 2001	Acura MDX	\$0
[Demers noted that vehicle needs "new struts, brakes, rear glass needs repair Light"]		
Total:		<u>\$3,075</u>

CHEVROLET IMPALAS PURCHASED BY LPD

Valuation based upon Kelley Blue Book, Good Condition, Private Sale

<u>Year:</u>	<u>Make and Model:</u>	<u>Kelley Blue Book Valuation:</u>
1. 2004 (99,974mi)	Chevrolet Impala	\$5,310
2. 2006 (86,893)	Chevrolet Impala	\$8,480
3. 2007 (117,660)	Chevrolet Impala	\$6,780
4. 2008 (72,049)	Chevrolet Impala	\$9,440
Total:		<u>\$30,010</u>

**SALE PRICE OF CHEVROLET IMPALAS PURCHASED BY LPD FROM
SANTO DOMINGO MOTORS**

<u>Year:</u>	<u>Make and Model:</u>	<u>Sale Invoice Price:</u>
1. 2004 (99,974mi)	Chevrolet Impala	\$4,820
2. 2006 (86,893)	Chevrolet Impala	\$8,075
3. 2007 (117,660)	Chevrolet Impala	[\$Price on Invoice is Blank]
4. 2008 (72,049)	Chevrolet Impala	\$7,555

Total for 2004, 2006, 2008 Impalas (with known invoice prices): \$20,450

Kelley Blue Values for 2004, 2006, 2008 Impalas with known invoice prices: \$23,230