For Immediate Release
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Kean University Did Not Follow State Procurement Law, and Its Own Procurement Policy, In Spending Nearly $250,000 for Custom-Built Conference Table

TRENTON – An investigation conducted by the Office of the State Comptroller has found that Kean University did not adhere to State procurement law, and its own procurement policy, in spending nearly $250,000 to obtain a custom-built conference table ultimately purchased from a vendor in China.

The table was already built, and on a boat enroute from China to the United States, before Kean University’s Board of Trustees voted to approve its purchase in May 2014. OSC investigators uncovered an email sent five months earlier stating that the Kean University President “gave the green light for the table to be made” and to spend about $200,000 for purchase of the table.

OSC investigators also found that contract documents, payments and other correspondence were consistent with the project commencing prior to the required Board approval.

In presenting a request to purchase the conference table to the Board after the fact, Kean officials justified the purchase by relying on exceptions to the State’s public advertising and bidding requirements. The OSC determined that the purchase did not satisfy any of the established exceptions to the State’s public bidding law.

“This purchase deviated from Kean University’s own procurement policy in addition to State procurement law,” said State Comptroller Philip James Degnan. “This was a done deal prior to the Board of Trustees’ vote.”
Kean University claimed two exceptions to the public bidding law. The cited exceptions allow purchases of “[e]xtraordinary unspecifiable services and products which cannot reasonably be described by written specifications” and “acquisition of artifacts or other items of unique intrinsic, artistic or historic character.” A University official also told Kean Board members that the purchase was “a nod to our partners in China.”

The OSC found that Kean failed to establish how either exception applied to the purchase of the conference table. In fact, the evidence showed that the table was neither unspecifiable nor unique. One set of specifications for the table had been drafted by an architect and were sent to companies located near the Kean University campus prior to a vendor being identified in China. That vendor also drafted its own set of specifications and essentially duplicated tables seen by the Kean University President while he was traveling overseas.

Separate and aside from the purchase price, OSC investigators found that Kean paid $30,000 to the architect for the original specifications and a full-sized plywood and foam mock-up of the conference table. After the table was purchased for approximately $150,000 from the Chinese vendor and delivered to Kean, the University approved modifications that cost an additional nearly $70,000, also prior to obtaining the required Board approval. In all, the price for the table, two sets of specifications, modifications and the mock-up was approximately $250,000.

In making payment for the table, Kean University arranged for its Chinese partner, Wenzhou Kean University, to act as its agent. Kean University allowed Wenzhou Kean to deduct amounts paid on its behalf from monies it owed to Kean University in unrelated matters. Because Wenzhou Kean had paid 60% of the purchase price before there was Board approval, and without the required purchase order, OSC found Kean to have circumvented its own purchasing controls.

The OSC recommended that Kean provide the appropriate training to university staff and also create, update or modify its policies and procedures to:

- Ensure that all University staff and Board members understand their responsibilities with regard to purchasing goods and services;

- Require that all necessary approvals from the appropriate departments and the Board be obtained before Kean officials or
their agents are permitted to enter into a contract on the University’s behalf;

• Confirm that purchase orders are issued and that vendors provide the University with required documents before issuing payment;

• Utilize public bidding in accordance with the State College Contracts Law in order to foster competition and benefit from potential cost savings;

• Refrain from alternative payment arrangements for purchases and ensure compliance with University practices and procedures; and

• Ensure that all monies expended for goods and services are the result of a reasonable and organized strategy designed to obtain the best value for the University.

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