




COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 820-3335

THOMAS SLONAKER  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Report Distribution  
**FROM:** Thomas Slonaker, County Controller   
**DATE:** April 16, 2010  
**RE:** Audit of Compliance to Tax Delinquent/Unpaid Rent Provisions  
of the County of Lehigh Administrative Code

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We have completed an audit of compliance to tax delinquency and unpaid rent provisions of Section 801.2, paragraphs (B) to (E) of the County of Lehigh Administrative Code for the period ended December 31, 2009. Our report number 10-6 is attached.

The result of our audit is that the administration has complied with the requirements of Section 801.2, paragraphs (B) to (E) of the Lehigh County Administrative Code.

Attachment

AUDITS/BADBOY

COUNTY OF LEHIGH, PENNSYLVANIA

*Compliance to Tax Delinquent/Unpaid Rent Provisions  
of Section 801.2 (B), (C), (D), (E) of the County of Lehigh  
Administrative Code*

For Period Ended December 31, 2009

REPORT NO. 10-6

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE TO SECTION 801.2 (B), (C), (D), (E)  
ADMINISTRATIVE CODE

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JOHN A. FALK  
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Lehigh County Board of Commissioners  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101-2400

We recently reviewed compliance to the tax delinquency provisions and the unpaid rent provisions of Section 801.2 of the administrative code [801.2 (B), (C), (D), (E)]. These provisions relate to:

- (B) Prohibiting the county to enter into a contractual arrangement with a vendor who is delinquent in paying any taxes due the county;
- (C) Withholding payments to vendors until the taxes are paid in full;
- (D) Written notice to the Board of Commissioners by the Department of Administration; and
- (E) Prohibiting the county to enter into a contractual arrangement with a lessee who owes the county rent.

Taxes are deemed delinquent after unpaid taxes are turned over to the county tax claim bureau (TCB) for collection (e.g., 2009 taxes were turned over to the TCB as of December 31, 2009).

The tax delinquent provisions were included in standard county contract language to supplement existing delinquent tax collection procedures. The primary effort to collect delinquent taxes is performed by the TCB. The office of fiscal affairs initiated this review after the annual batch of delinquent taxpayers were identified. After turnover (December 31, 2009) to TCB, the office of fiscal affairs matched 2009 county vendors' contracts with the TCB database of delinquent taxpayers. A report was issued to the office of the commissioners on February 10, 2010 (attached).

Based on our discussions and review of fiscal affairs records, we found that the administration has complied with the historical interpretations of the requirements of Section 801.2 (B), (C), (D) and (E) of the county administrative code. The current status of several management issues are listed on the attached "*Schedule of Previous Audit Findings and Recommendations*".

We wish to express our appreciation for the cooperation received during the review.



THOMAS SLONAKER  
County Controller

April 16, 2010  
Attachments

xc: Donald Cunningham, Jr., County Executive  
Brian Kahler, Fiscal Officer  
Thomas Muller, Director of Administration





COUNTY OF LEHIGH  
Office of Fiscal Affairs

Brian L. Kahler  
Fiscal Officer

TO: Commissioner Dean N. Browning

FROM: Brian L. Kahler, *BK*  
Fiscal Officer

DATE: February 10, 2010

RE: Ordinance 1992-#119

In accordance with Ordinance 1992-#119 we are submitting a listing per exhibit B, number 4.

<u>Contract #</u>	<u>Vendor</u>	<u>Amount</u>
Constable	Michael Horton	\$ 278.88
Janitorial Purchase Order CY-095 & CY-279	Noel Lichtenwalner	\$ 1,325.50
Constable	Salvation Army	\$ 55.66
	Michael Zweifel	\$ 1,098.96

The above listing does not include Foster Care Parents, Day Care Providers, Grants, Employees, Vendors who receive payments which are not subject to Ordinance 1992-119, and Vendors who may owe taxes as another entity but the County does not have a contractual relationship with that entity. Beginning with the 2009 review, constables will now be included.

For the above vendors, payments will be withheld until the County taxes are paid in full.

If you should have any questions, please do not hesitate to contact me.

BLK/kk

xc: To All Commissioners  
:: Thomas Muller  
xc: Thomas Slonaker

*Government Center  
17 South Seventh Street  
Allentown, Pennsylvania 18101-2400*

*Accounts Receivable  
Phone: 610-782-3112*

*Fiscal Administration  
Phone: 610-782-3115*

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE TO THE TAX DELINQUENCY / UNPAID RENT  
PROVISIONS OF ADMINISTRATIVE CODE SECTION 801.2

*Schedule of Previous Audit Findings and Recommendations*

**Department of Community and Economic Development**

1. Delinquent Taxpayer Used as Contractor

**Condition:** Lehigh County issues checks under the Community Development Block Grant (CDBG) Program. The program is designed to establish a contract between the homeowner and the contractor. Ordinance 2006-107 provides for the direct payment by the county to the contractor for services rendered to the homeowner. The homeowner is required to meet certain eligibility requirements and to agree to certain conditions to qualify for the program. Previously, these payments have been excluded from Section 801.2 of the county Administrative Code which prohibits the county from entering into a contractual relationship with any vendor who is delinquent in any county taxes.

Clearly, the county is not party to any contract between a homeowner and contractor, however, the county issued a check directly to a delinquent taxpayer.

**Recommendation:** We recommend the Department of Development consider amending their policies and procedures to disqualify a contractor from bidding on sewer lateral, housing rehabilitation, and other similar community development programs if the contractor is found to be delinquent on county real estate taxes.

**Current Status:** The Department of Development implemented the recommendation in 2009. There was no evidence of any contractors who were paid from this program being delinquent on any county taxes.

**Department of Administration**

1. Constables Owe Delinquent Taxes

**Condition:** In 2008, we noted county vendor payments to a constable who owes delinquent 2008 real estate taxes.

**Recommendation:** We recommend the fiscal officer advise the President Judge/magisterial district judges as to which constables owe delinquent real estate taxes. We believe this notice may encourage the payment of delinquent taxes.

**Current Status:** There were two constables who had payments withheld due to delinquent taxes.