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e-ALERT

NC State Auditor Warns about Office Depot Contracts

November 2008

NC State Auditor Leslie Merritt has announced a joint investigative and performance audit into an Office Depot contract managed by the U.S. Communities Government Purchasing Alliance (U.S. Communities). A previous state audit of the NC Division of Purchase and Contract's Office Depot contract found almost \$300,000 in overcharges within a selected sample. The Office of the State Auditor has determined that some other government agencies are purchasing from Office Depot under the U.S. Communities' contract, amounting to approximately \$2 million for state agencies and \$3 million for local governments.

U.S. Communities is a nonprofit organization that manages contracts established by a "lead public agency." U.S. Communities allows local government agencies to "piggyback" on contracts and take advantage of favorable government pricing. One of the contracts that U.S. Communities manages is the Office Depot contract.

Auditor Merritt advises local government and school system managers to check any Office Depot purchases against the contract to be sure that taxpayers and students are getting the price breaks specified.

The State of Florida is also investigating the U.S. Communities' Office Depot contract to determine whether Office Depot induced agencies to switch to a higher-cost program by financial misrepresentations, increased prices without notice and more often than allowed under the contract, failed to provide agencies with the benefit of supplier rebates, and failed to provide agencies the best price given to other customers as required by contract.

Click on this [link](#) to see the full news release from the State Auditor and a list of North Carolina state and local agencies who purchased from Office Depot.

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**Check any
Office Depot
purchases
against the
contract.**

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