



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER CO#129978

PAGE 1 OF 3

DATE: 04/16/2019

SUBJECT: **RECEIVE AND FILE RESPONSE TO AUDITOR'S REPORT OF  
THE REVIEW OF SPECIAL INVENTORY TAX CONTROLS FOR  
THE TAX OFFICE**

**\*\*\* CONSENT AGENDA \*\*\***

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court receive and file response to the Auditor's Report of the Review of Special Inventory Tax Controls for the Tax Office that was presented to Commissioners Court on March 12, 2019.

**BACKGROUND:**

On March 12, 2019, the Commissioners Court, through Court Order #129726, received and filed the Auditor's Report of the Review of Special Inventory Tax Controls for the Tax Office.

The outside collection attorney is requesting the response be attached as part of the record.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor

PREPARED BY: S. Renee Tidwell  
APPROVED BY:



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April 5, 2019

S. Renee Tidwell, CPA  
County Auditor  
Tarrant County Administration Bldg., Room 506  
100 E. Weatherford  
Fort Worth, Texas 76196

Re: Auditor's Report - Review of Special Inventory Tax Controls

Dear Ms. Tidwell:

In furtherance of our recent communications regarding your February 22, 2019 Auditor's Report ("Report"), I write to provide feedback and clarification on the matters addressed therein relating to independent "observations" about Barlow Garsek & Simon's ("BG&S") services provided under the *Agreement for Special Inventory Tax Services* between Barlow Garsek & Simon LLP and Tarrant County, Texas with the approval, advice and consent of Ron Wright, Tarrant County Tax Assessor-Collector effective April 1, 2015 ("Contract"). Please note our feedback and clarification is limited to protect and preserve privilege and confidentiality associated with, and arising from, our attorney-client relationship with the Tarrant County Tax Assessor. However, we are compelled to provide this written response to ensure that it is part of the auditor's file regarding the Report and to ensure that it is attached to and considered in conjunction with the Report for the benefit of any reader or recipient of the Report. We trust that you will take steps necessary to incorporate this Response into your files and to attach it to the Report in a manner sufficient to ensure that the Report is not considered in isolation of the Response.

As you are aware: BG&S and the Tarrant County Tax Assessor are pioneers of the subject methods involving the collection of Special Inventory Tax, and BG&S has successfully collected in excess of \$3,000,000 for the benefit of the Tarrant County Tax Assessor's office under the Contract since its inception. Prior to the Contract, Special Inventory Tax collections were either de minimis or non-existent in Tarrant County, Texas. BG&S, your office and the Tarrant County Tax Assessor's office have been continually involved in an ongoing review of the processes and procedures implemented under this Contract (not surprisingly, as the Contract involves proprietary, special purpose software and a novel approach to Special Inventory Tax enforcement). As such, you are aware that those processes and procedures are *always* in the process of being reviewed, revised and improved. We have enjoyed an atmosphere of collegiality, candidness and teamwork in our relationship the Tax Assessor and the auditor's office, and have experienced meaningful cooperation and responsiveness regarding any comments, concerns or issues identified as the collection work proceeds. Since mid-2018, we have been working hand-in-hand with you (directly), your office staff and the Tarrant County Tax Assessor to address all of the concerns that are noted in your Report. Most of those concerns were addressed and remedied to your satisfaction as of October 2018. As you are aware, pursuant to ongoing discussions that have continued to the present day, there are some remaining issues still under review and



discussion amongst your office and the Tax Assessor's office, as we are all working in good faith to find practical and workable solutions.

That said, BG&S was shocked and blind-sided to learn that the Report had been prepared and filed in the public record with the Tarrant County Commissioners Court on March 19, 2019, without any advance notice that (a) there was a Report being prepared, (b) that the Report was being submitted or discussed with the Tarrant County Commissioners, or (c) that the Report was being filed in the public record. The "observations" noted therein can easily be misinterpreted as suggesting that BG&S (and the Tax Assessor) were, and perhaps continue, operating under the agreement in blatant and knowing violation of contractual/statutory restrictions, when in reality, all of the concerns noted were, for the most part, self-identified, discussed and remedied. Otherwise, the noted concerns have been in the process of being discussed and remedied for many months – largely with the auditor's involvement.

More specifically and of most concern, to the extent that the "observations" – particularly Observation 2 regarding BG&S – suggest that BG&S confirmed settlements or waivers, or took other action without the approval or authority of the Tarrant County Tax Assessor's office, **please be advised that all settlements, waivers and all other actions taken by BG&S on behalf of the Tarrant County Tax Assessor have always been expressly discussed, authorized and approved (whether in writing or otherwise) by the Tarrant County Tax Assessor and its agents and representatives, including without limitation:**

**Ron Wright**  
**Tom Spencer**  
**Elisa Hand**  
**Morris Booth**  
**Amelia Rice**

While BG&S understands that the primary aim of the Report is to provide constructive criticism, the Report is harshly and unfairly critical of BG&S in isolation, especially in light of the above-referenced facts. More troublingly, the filing of the Report in the public domain without prior notice or opportunity for response or input from BG&S was unfair and, frankly, served no purpose other than to publicly disparage or degrade the professionals/parties mentioned therein.

Please understand that we value and appreciate our professional relationship with the Tarrant County Tax Assessor and your involvement in that relationship. However, going forward, we would appreciate the professional courtesy of advance notice and opportunity for input and feedback before any further reports are issued or, more importantly, filed, as it relates to us or the Contract with the Tarrant County Tax Assessor.

Many thanks,



Chris D. Collins

cc: Honorable Wendy Burgess, Tax Assessor-Collector