

## *President's Report – December, 2015*

### WCCUSD Investigates Whistleblower's Allegations – December 1, 2015

For those not familiar with the scandal, the west county school district has been rocked by charges of mismanagement and corruption in its school bond program for years during the regime of former board president Charles Ramsay. Trustees recently formed a subcommittee to investigate charges brought forward by Dennis Clay, a district employee, among others. (The district is also being investigated by the FBI and SEC.) The subcommittee consists of trustees Bloc and Cuevas (both recently elected) and citizens bond oversight committee (CBOC) chair Ricco. CoCoTax members from the new West County chapter have also monitored the district's actions, and several serve on the CBOC and citizens budget advisory committee (CBAC). Over the past six months, I have attended board and committee meetings and have spoken of the need for the district to fully disclose the details of the scandal and take action to restore taxpayer trust in district leadership and management.

The forensic auditor (VLS, LLP), engaged by the board to assess and evaluate the allegations of mismanagement, gave its report last evening to the board's "Clay Subcommittee" on the risk it sees in over a hundred charges, part of Phase 1 of its work. After interviewing over a dozen current and former employees, contractors and others, and reviewing reams of documents, the auditors presented a risk assessment of 68 specific allegations. The charges were arranged in several categories, including:

- Potential conflict of interest;
- Compliance with legal requirements and board policies;
- Budgeting controls;
- Vendor contract administration;
- Billing and performance of the outside construction manager;
- Change order approval and accounting practices;
- Project accounting systems;
- Financial reporting, and
- Adequacy of performance audits.

Each of the 68 specific charges was assigned a risk assessment from three levels:

- High – 36 charges
- Medium – 24 charges
- Low – 8 charges

The lead auditor made clear that although their initial review of testimony and documents revealed likelihood of authenticity, a more detailed examination of specific transactions would be undertaken in Phase 2. Their main strategy is to identify the lack of controls that allows errors and inappropriate actions, and the auditors reported that the district has already undertaken to establish many such new controls. These controls will be tested in Phase 2, and a final report delivered sometime in 2016. I commented that while preventing such problems going forward is important, the district must fully disclose all past violations and hold those responsible accountable, and to recover as much misspent taxpayer money as possible.

I want to acknowledge the dedication of CoCoTax members Anton Jungherr, Ben Steinberg, Fatima Alleyde and others who have worked tirelessly - often in the face of disrespect and harassment - to bring the district's issues to light. CoCoTax will continue to monitor the district's actions and to ensure that taxpayers' interests are served. This scandal makes clear that school bond programs must be closely watched, and that CoCoTax's position as the sole bona fide taxpayer advocacy organization provides an opportunity and responsibility to appoint members to serve on oversight and advisory committees. Members currently serve on at least four CBOC's and advisory committees in the county, overseeing billions of bond and parcel tax dollars.

Jack Weir

President

(925) 899-4298 cell

jweir39@aol.com