

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

REQUEST FOR PROPOSALS BOARD OF EDUCATION FORENSIC ACCOUNTING INVESTIGATION

Submitted: September 3, 2015

Presented by:

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

**REQUEST FOR PROPOSALS
BOARD OF EDUCATION
FORENSIC ACCOUNTING INVESTIGATION**

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September 3, 2015

Lisa LeBlanc
Associate Superintendent
West Contra Costa Unified School District
1400 Marina Way South
Richmond, CA 94804

RE: West Contra Costa Unified School District
Request for Proposals—Forensic Accounting Investigation

Dear Ms. LeBlanc:

Thank you for considering Vicenti, Lloyd & Stutzman LLP (VLS). We are delighted to present this proposal for forensic accounting investigation services for the West Contra Costa Unified School District (the District).

Vicenti, Lloyd & Stutzman LLP, with offices in Glendora and Los Angeles, has a team of exceptional accounting professionals with rich experiences and dedication to a wide variety of organizations. Our unique approach to providing forensic accounting and investigation services for our clients is the result of more than 60 years of experience working closely with California educational agencies. We perform annual audits, including the required single audit, Proposition 39 financial and performance audits, internal control reviews, fraud investigations, forensic accounting, fraud risk assessments, computer forensics, agreed upon procedures, due diligence reviews and grant compliance audits.

Our VLS Forensic Services Team – which is comprised of CPAs, Certified Fraud Examiners, Certified Fraud Forensics, and former law enforcement (including the Federal Bureau of Investigation) – will be assigned to perform this engagement, if selected. Our VLS Forensic Services Team as detailed in this proposal has significant experience in conducting forensic accounting investigations stemming from complaints and allegations from district employees and other types of whistleblowers. This is our expertise! Our firm is independent of the West Contra Costa Unified School District, and we have no prior issues which could be interpreted as a conflict of interest.

The leader of our VLS Forensic Services Team and the individual who will be in charge of this engagement is Ernest C. Cooper, a seasoned and experienced CPA, financial fraud investigator, as well as a retired FBI Special Agent. Our team is a proud, successful and highly proven group of forensic accounting professionals and investigators.

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915 Wilshire Boulevard, Ste. 2250, Los Angeles, CA 90017 ♦ Tel 213.550.5422

Email INFO@VLSLLP.COM ♦ Web WWW.VLSLLP.COM

Our team has a proven track record and reputation of working together as a team on numerous forensic accounting type matters, such as this. We are not a group of subcontractors – or staff pulled from other offices pulled together for this proposal. Our team works together as dedicated members of the VLS Forensic Services Team!

The **VLS Forensic Services Team** welcomes the opportunity to work with you. Ernie Cooper and Dr. Linda Saddleire are authorized to make representations for VLS. For more information, please call (626) 857-7300, or email ERCooper@vlsllp.com or LSaddleire@vlsllp.com. We look forward to hearing from you.

Sincerely,



Ernie Cooper, CPA/CFF, CFE
ERCooper@vlsllp.com
626.857.7300, Ext. 300



Linda Saddleire, Ed.D., CPA/CFF, CFE
LSaddleire@vlsllp.com
626.857.7300, Ext. 256

BACKGROUND INFORMATION

ABOUT VICENTI, LLOYD & STUTZMAN LLP

Vicenti, Lloyd & Stutzman LLP was founded in 1953 and is located at 2210 E. Route 66, Suite 100, Glendora, California 91740. We also have an office located at 915 Wilshire Boulevard, Suite 2250, Los Angeles, California 90017. We are a mid-sized, local firm that currently has more than 70 employees including Partners Emeriti Royce Stutzman and Mary Ann Quay, eleven partners, seven senior managers, eight managers, and other professional and administrative staff.

Vicenti, Lloyd & Stutzman provides a full suite of accounting services including forensic accounting, investigation services, fraud risk assessments and internal control reviews, tax and reviews, controllerships, business valuation and more for K-12 school and community college districts, colleges and universities, JPAs and governmental entities, commercial businesses, nonprofit organizations and charter schools throughout the State of California. Fifty percent of our professional staff is dedicated to providing auditing services to the education industry.

VLS Employees & Governmental Experience	Total Employees by Level	Experienced with Govt. Audits
Partners Emeriti	2	1
Partners	11	7
Directors/Consultants	2	2
Senior Managers	7	4
Managers	8	4
Senior Associates & Associates	29	23
Admin Staff	13	N/A
Total	72	41
CPAs	35	21

We are recognized as a leading firm for auditing services for school Districts. We have extensive experience in school district auditing, policies, procedures and facilities/construction management issues. In November 2000 when Proposition 39 was passed, VLS became one of the first audit firms to develop a quality audit process that helps California school districts meet the legal requirements of Proposition 39. Since that time, we have worked with school districts throughout California to assess internal controls and to ensure compliance with Proposition 39 requirements, as specified by specific articles in the California Constitution and certain provisions of the California Education Code. The majority of the school districts that we service have general obligation bonds included in the scope of the annual audit.

Our forensic accounting and investigation services are conducted by a multi-disciplinary team of fraud experts – CPAs, Certified in Financial Forensics, Certified Fraud Examiners, Certified Internal Auditors, and former law enforcement investigators including the FBI. We are leaders in assessing and investigating fraud risks in the highly specialized field of education. VLS has a proven reputation for credibility and a proven track record of success in the education field.

BACKGROUND INFORMATION

ABOUT VICENTI, LLOYD & STUTZMAN LLP (continued)

VLS assists governing boards and audit committees for many Southern California school districts assess and implement effective internal controls to help protect their institutions from errors and fraud. We also provide agreed upon procedures to existing internal control systems and present recommendations for improvements. This level of assessment, testing and implementation provides the professional assurance that controls are working properly and defending District resources.

We design our approach specifically to your situation and needs. This process will normally include witness identification and interviews, computer forensics, review of financial records, datamining for trends and patterns, and other investigative techniques. Because the majority of investigations are of a sensitive matter, VLS conducts investigations in a professional and discreet manner and knows how to work with your internal audit/or internal investigative staff. We also have extensive experience in working with both in-house and/or outside counsel.

Vicenti, Lloyd & Stutzman fraud professionals are active members of the Association of Certified Fraud Examiners and are frequent presenters on fraud related topics for various professional organizations.

The California Society of CPAs also recognizes VLS as one of the top fifty firms in California whose employees are members of the Society. Our status as a large, local firm provides several benefits to our clients, starting with our ability to provide your organization with access to a depth of knowledge that is based on decades of collective experience.

FORENSIC ACCOUNTING INVESTIGATION TEAM

Ernie Cooper, CPA/CFF, CFE – Partner of VLS – has over thirty years of professional experience encompassing accounting, internal and external auditing, forensic accounting, fraud investigations, and speaking on accounting, public corruption, fraud, corporate investigations and financial crime. Ernie’s experience includes eight years with a “Big 4” firm and small CPA firms as a professional accountant and auditor, over twenty years as a Federal Bureau of Investigation (FBI) Special Agent, and nine years as a forensic accountant and financial crimes investigator in the private sector. Ernie is also a frequent and sought after speaker regarding establishing strong systems of internal control and developing anti-fraud programs.

Linda Saddlemire, Ed.D., CPA/CFF, CFE – Managing Partner/CEO of VLS – has thirty-eight years of professional experience encompassing financial statement audits, internal audits, fraud investigations, and the management of complex financial fraud matters for various organizations. Linda holds multiple credentials including Certified Public Accountant, Certified in Financial Forensics, Certified Fraud Examiner, Executive Masters in Business Administration, and a Doctorate in Organizational Leadership. Linda actively speaks on various topics for professional organizations such as the California Society of CPAs. Additionally, Linda has authored several articles on the topics of internal control and fraud prevention, which have been included in various industry publications.

Gema Ptasinski, CPA – Partner of VLS – has over nineteen years of experience planning, directing, and supervising financial and compliance audits of educational organizations including K-12 school districts, JPAs, community colleges, and universities, as well as other nonprofit organizations. Gema has performed Proposition 39 Financial and Performance Audits for K-12 school district clients and is familiar with the various requirements of Education Codes 15264 through 15288. She conducts internal control reviews and analyses, assists with year-end closings and accounting related issues, and reviews financial projections and budgets. Gema conducts accounting workshops and addresses organizations such as the California Association of School Business Officials, the Association of College Business Officials, and LeadingAge California. Gema has served as Client Service Partner on audits for Long Beach Unified School District, Ventura Unified School District, and Pleasant Valley School District.

Jenny Dominguez, CPA/CFF, CFE – Senior Manager of VLS – with over fifteen years as an auditor, Jenny has a broad spectrum of accounting experience. As part of our VLS Forensic Services Team, Jenny performs forensic accounting investigation services for organizations across various industries, including bond related and other construction projects for K-12 school districts. She also conducts financial statement and internal audits, and currently serves as senior manager on bond performance audits for several school districts. Prior to joining VLS, Jenny worked on a special project auditing the construction management department for a water agency. She also performed numerous construction-related investigations for multiple companies. Her background also entails seven years with a Big Four accounting firm and three years with an international investigation firm. She is a licensed Certified Public Accountant, Certified in Financial Forensics, and Certified Fraud Examiner.

FORENSIC ACCOUNTING INVESTIGATION TEAM (cont'd.)

Dan Warden – Senior Manager – is a former certified public accountant. Dan has over thirty years of school district and county office business management experience. His previous positions include Assistant Superintendent and Chief Financial Officer, consultant to the State Financial Crisis and Management Assistance Team (FCMAT), and Assistant Director of Business Advisory Services for the Los Angeles County Office of Education. In these roles, he was directly responsible for the oversight and management of the fiscal and budgetary operations of the agency, including communications and presentations to the governing board of education on these areas. His depth of knowledge and understanding of the governmental regulations regarding the Proposition 39 school district bond makes him a valuable asset to our Local Education School Audit Division.

Scott Saddlemire – Consultant – is President of Superior Construction Services, Inc. with 30 years of experience, including 26 years of general and electrical contracting services within the California public school system. Scott has served in positions of State Architect Inspector of Record, Project Manager, Field Superintendent/Foreman and Estimator on projects for school districts throughout Southern California. He has expansive industry knowledge that includes oversight of construction projects – from early stage development to project completion – as well as general contracting; budgeting; bid solicitations and negotiations; adherence to building inspection codes; equipment maintenance; project reporting; and dispute resolutions. His expertise also includes projects involving multi-prime and at-risk construction management and lease lease-back.

Jessie Wang, CPA – Manager of VLS – specializes in assurance services for K-12 school districts, community colleges and nonprofit organizations. She has extensive experience performing Proposition 39 audits, A-133 Single Audits, internal control assessments, and audits of State programs and Child Development Centers. Jessie is well versed in various requirements such as Attendance and Federal and State compliance and Education Codes I5264 through I5288 dealing with Proposition 39. She initiated and organized an informative training on continuing disclosure requirements for tax exempt bonds and private use and is currently pursuing a Certified Information Technology Professional (CITP) Credential, which certifies her expertise in auditing automated financial systems. Jessie has served as auditor in-charge for Mt. San Antonio Community College District, Pasadena Area CCD, Cal State Dominguez Hills Auxiliary Entities, Whittier Union HSD, Mountain View SD, Claremont USD, Pupil Transportation Cooperative and Puente Hills Special Education SELPA.

Ana Rodriguez, CPA, CFE – Senior Associate – has worked on several fraud investigation, forensic accounting, and internal control engagements. She also performs compliance and financial audits for governmental and education agencies, including Proposition 39 bond audits. As a Certified Fraud Examiner, she is committed to reducing workplace fraud and instilling public trust and confidence. Ana is bilingual, fluent in both Spanish and English.

FORENSIC ACCOUNTING INVESTIGATION TEAM (cont'd.)

John Hostetler, CDFE, MCP, Network+, A+ – Manager of VLS – graduated summa cum laude from California State Polytechnic University, Pomona with a Bachelor of Science in Business Administration/Computer Information Systems. He has more than 15 years of combined experience in the fields for technology solutions, data security, and computer forensics. In addition to being a Certified Digital Fraud Examiner, John is certified in A+, Network+, and Microsoft Software (MCP). He works hand in hand with auditors on a daily basis and has a strong understanding of financial information. John is proficient with Excel and often creates databases from evidence that allows auditors to analyze data for falsified information and other “red flag” identifiers.

Additional Staff Associates

Michelle Cok – Associate

Arandy Espinal – Associate

In the event that VLS is contracted to perform investigation services as Phase 2 of this Proposal, additional staff will be added to meet the requirements of the engagement.

Training

VLS has made significant investments to develop effective, research-based direct instruction and hands-on training for our associates. Each staff accountant participates in 80 hours of audit-specific training within the first two years of employment. Staff who complete the program emerge with a solid knowledge base for their assigned tasks, which reduces on-the-job training for more cost-efficient professional services.

Hourly Rates for Professional Services		
Partner		350
Construction Consultant		270
Senior Manager		270
Manager		195
Senior Associate		160
Associate		140
Clerical		140

Ernie Cooper, JD, CPA/CFF, CFE

Partner

PRACTICE AREAS:

- Forensic Accounting
 - ε Fraud in the Audit
 - ε Financial Statement Fraud
 - ε Asset Identification
- Fraud Investigations
 - ε White Collar Crime
 - ε Money Laundering
 - ε Public Corruption
 - ε Government Contract Fraud
- Management of Complex Financial Fraud Matters
- Audits
- Litigation Support
- Corporate Compliance Monitoring Programs
- Organized Crime
- Financial Institution Fraud
- Domestic & International Narcotic Organizations



INDUSTRY EXPERTISE:

- Corporations
- Law Firms
- Governmental Agencies
- Not-for-Profit Organizations

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2005 as Consultant; Named Partner in 2014
- Director of Forensic Investigative Practice, KPMG Los Angeles, 2003-2004
- Special Agent, Federal Bureau of Investigation, 1983-2003
- Phillips & Company, CPA's, 1977-1982
- Long Beach City College, Instructor of Accounting, 1981-1982
- Price Waterhouse Coopers (formerly Coopers & Lybrand), 1974-1977
- Frequent speaker, trainer and expert witness on forensic accounting and fraud investigations

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- Association of Certified Fraud Examiners, Board of Directors OC Chapter
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- Society of Former Special Agents of the Federal Bureau of Investigation, Former Chairman, Los Angeles Chapter
- State Bar of California
- Los Angeles County Bar Association

LICENSES:

- Received Certification as a Certified Fraud Examiner in July 1990.
- Licensed to practice as a Certified Public Accountant in the state of California since June of 1977.
- Licensed to practice as a Private Investigator in the state of California since February of 2005.
- Licensed to practice as an Attorney at Law in the state of California since December of 1982.

EDUCATION:

- Juris Doctorate, Western State University, College of Law
- Bachelor of Arts in Accounting, California State University, Fullerton

PERSONAL:

- Ernie and his wife Teresa, who is a Special Agent of the FBI, enjoy traveling and family.

Linda Saddlemire, Ed.D., CPA/CFF,CFE

Partner

PRACTICE AREAS:

- Audits
- Fraud Investigation
- Business and Consulting Services
- Internal Control Review and Analysis
- Cash Flow Analysis & Cash Management Review
- Year-end Closing and Accounting Related Issues
- Financial Projections and Budgets
- School District Workshops



INDUSTRY EXPERTISE:

- K-12 School Districts
- Colleges and Universities
- Governmental Agencies
- Not-for-Profit Organizations

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 1982; Named Partner in 1989
- Cutter Electric Company – Accountant, 7/1977 – 6/1981
- University of La Verne, - Financial Aid Assistant - 9/1978 – 6/1981

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- California Association of School Business Officials
- California School Boards Association
- Association of Certified Fraud Examiners
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

LICENSES:

- Licensed to practice as a Certified Public Accountant in the state of California since June of 1984.
- Received Certification as a Certified Fraud Examiner in November of 1994.
- Received Certification as CFF, Certified in Financial Forensics, 2008

EDUCATION:

- Doctor of Education, in Organizational Leadership, University of La Verne
- Executive Masters of Business Administration, with Honors, Claremont Graduate University, Peter F. Drucker and Masatoshi Ito Graduate School of Management
- Bachelor of Science in Accounting, Magna Cum Laude with Departmental Honors, University of La Verne
- Certificate of School Business Management, California State University, San Bernardino

PERSONAL:

- Linda enjoys traveling, spending time with family and playing the djembe.

Gema Ptasinski, CPA

Partner

PRACTICE AREAS:

- Financial and Compliance Audits
- Single Audits under Federal Circular A-133
- Proposition 39 Financial and Performance Audits
- Business and Consulting Services
- Internal Control Review and Analysis
- Year-end Closing and Accounting-Related Issues



INDUSTRY EXPERTISE:

- K-12 School Districts
- Colleges, Universities, and Community Colleges, including:
 - ε Associated Students, Inc.
 - ε Foundations
 - ε Auxiliary Services
 - ε Student Financial Aid
 - ε Bookstore Operations
 - ε Student Unions
 - ε Food Services
 - ε Grants & Federally Funded Programs
- Charter Schools
- Not-for-Profit Organizations
- Retirement Communities

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 1996; Named Partner in 2005
- Presenter, California Association of School Business Officials, Education Sessions
- Presenter, Association of Chief Business Officials
- Presenter, California Education Foundation, Annual School District's Conference
- Presenter, LeadingAge California, Education Sessions

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California CPA Education Foundation
 - ε School District's Conference Planning Committee
- California Association of School Business Officials
 - ε Southern Section Accounting Research and Development Committee
- LeadingAge California (formerly Aging Services of California)
- Visiting Nurse Association of California, Board Member
 - ε Finance and Audit Committees

LICENSE:

- Licensed to practice as a Certified Public Accountant in the State of California since July 1998.

EDUCATION:

- Bachelor of Science in Accounting, Magna Cum Laude with Departmental Honors, University of La Verne

PERSONAL:

- Gema enjoys water sports, off-road racing and travel.

Jenny Dominguez, CPA/CFF, CFE

Senior Manager

PRACTICE AREAS:

- Accounting and Auditing
- Fraud Investigation
- Forensic Accounting
- Internal Control Review and Analysis
- Cash Flow Analysis & Cash Management Review
- Litigation Support
- Proposition 39 Financial and Performance Audits
- Fraud Risk Assessments



INDUSTRY EXPERTISE:

- Governmental Agencies
- Not-for-Profit Organizations
- Colleges and Universities
- K-12 School Districts
- Commercial and Residential Real Estate
- Manufacturing
- Construction/Construction Management

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in August 2010; Promoted to Senior Manager in 2011
- Independent Consultant – Forensic Accounting & Litigation Consulting, 2008 – 2010
- Kroll, Inc., Manager – Forensic Accounting & Litigation Consulting, 2005 – 2008
- Ernst & Young, LLP, Manager, 1998 - 2005

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- Association of Certified Fraud Examiners
- Secretary, Inland Empire Chapter of the Association of Certified Fraud Examiners
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

LICENSE:

- Licensed to practice as a Certified Public Accountant in the State of California
- Received Certification as a Certified Fraud Examiner in 2010
- Received Certification as CFF, Certified in Financial Forensics, 2010

EDUCATION:

- Bachelor of Science in Business Administration, emphasis in Accounting, California State Polytechnic University, Pomona

PERSONAL:

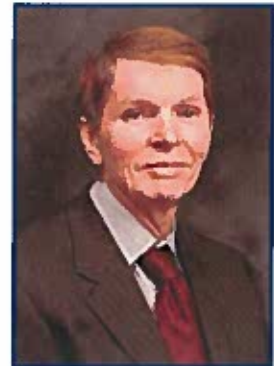
- Jenny enjoys traveling, snowboarding, and reading.

Dan Warden

Senior Manager

PRACTICE AREAS:

- **Business and Consulting Services**
- **Facilities and Bond Oversight**
- **Proposition 39 Performance Audits**
- **Facilities Budgeting and Accounting**
- **Budgeting and Long Range Planning**
- **Interim Chief Business Officer and Chief Financial Officer Engagements**
- **Year-end Closing and Accounting Related Issues**
- **Cash Flow Analysis and Cash Management**
- **Business Office Reviews and Procedure Development**
- **Financial Analyses for Negotiations Support**
- **Property Tax Reviews**
- **Revenue Enhancement and Efficiency Improvement Projects**
- **Arbitrage**



INDUSTRY EXPERTISE:

- **K-12 School Districts**
- **County Offices of Education**

PROFESSIONAL BACKGROUND:

- **Joined Vicenti, Lloyd & Stutzman in 2001 as Chief Business Officer and Consultant**
- **Alta Loma School District, Assistant Superintendent of Administration and Chief Financial Officer, 1988-2001**
- **State Financial Crisis and Management Assistance Team (FCMAT), Consultant on Various Management Studies of Districts**
- **Los Angeles County Office of Education, Assistant Director of the Business Advisory Services Division for Twelve Years**

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- **California Association of School Business Officials**

EDUCATION:

- **Master of Business Administration in Finance, University of Tennessee-Knoxville**
- **Bachelor of Science in Accounting, University of Tennessee-Knoxville**
- **Former Certified Public Accountant, State of Tennessee**

PERSONAL:

- **Dan enjoys spending time with his family.**

Scott Saddlemire

Consultant – President/Superior Construction Services, Inc.

PRACTICE AREAS:

- General Contracting
- Electrical Contracting
- Multi Prime Construction Management
- At-Risk Construction Management
- Bid Solicitation and Negotiation
- Lease Lease-back
- Project Inspection
- Change Order Review
- Billing Review and Approval

INDUSTRY EXPERTISE:

- K-12 School Districts
- Community Colleges
- Country Clubs
- Commercial Businesses
- Not-for-Profit Organizations

PROFESSIONAL BACKGROUND:

- Superior Construction Services, Inc. - *Division State Architect Project Inspector (2007 – Present) – Project Range \$1M to \$85M*
 - ε Colton High School Press Box – fire damage
 - ε Beaumont High School
 - ε Colton Joint Unified School District – Multiple Sites
 - ε Terrace View Elementary School/Zimmerman ES/Colton High School – Beaumont Unified School District
 - ε Tournament Hill ES, Brookside ES, Zimmerman ES Modernization/Colton Joint Unified School District Multiple Sites
 - ε Terrace View ES Parking Lot/CJUSD
 - ε 21st Century Upgrades/Smartboards/Beaumont Unified School District – Multiple Sites
 - ε Grand Terrace HS – Construction of new ground up High School/CHUSD
 - ε CJUSD Maintenance Facility-Freezer Replacement
 - ε Colton Unified School District – 14 Classrooms, Colton Middle School
- *Project Manager (1999 – 2006) – Project Range \$500,000 to \$4.5M*
 - ε Emergency Pool Renovations-Door and Hardware Project-Field Renovations-Power Upgrade/Colton Joint Unified School District
 - ε Lake Elsinore High School/Lake Elsinore USD
 - ε Alvord Unified School District
 - ε San Bernardino Unified School District
 - ε Mead Valley Elementary
 - ε Citrus Park Industrial Building
 - ε SBVC Life Science Building
 - ε Eagle Glenn Country Club
 - ε Emergency Pool Renovations/Colton Unified School
- *Project Manager (1999 – 2006) Cont'd. District (Maintenance)*
 - ε Colton Unified School District (Renovations)
 - ε SBVC Life Science Building-San Bernardino Valley College District
 - ε Edison MS - Etiwanda School District
 - ε Norco Business Park
 - ε Citrus Park Industrial Buildings
- *Field Superintendent (1997 – 1999) – Project Range \$1M – \$2.11M*
 - ε Pacific High School Mod
 - ε Riverside Unified Mods – Phases B, D & E Ramona HS, Alcott ES, Hawthorne Elementary, Jackson Elementary, Highgrove Elementary, Bryant Elementary, Grant Elementary, Lincoln HS, Liberty Elementary, Longfellow Elementary, Central MS, Chemawa MS Jefferson Elementary, Sunshine ES Madison ES and Emerson Elementary
- *Project Superintendent/Foreman (1992 – 1996) – Project Range \$310,000 to \$2.1M*
 - ε Inland Cold Storage Building 2
 - ε San Bernardino Police Station
 - ε San Bernardino Stadium
 - ε Colton High School Mod
 - ε Colton Middle School Mod
 - ε Lincoln Elementary Colton
 - ε Bloomington Middle School
 - ε Crestmore Elementary
 - ε Southern California Edison-San Dimas Facility

INDUSTRY EXPERTISE:

- California State Contractors License (B and C10). Inactive (Retired).

Jessie Wang, CPA Manager

PRACTICE AREAS:

- Financial and Compliance Audits
- Governmental Auditing
- Single Audits under Federal Circular A-133
- Proposition 39 Financial and Performance Audits
- Attendance Accounting Consulting
- Associated Student Body Workshops
- Management Consulting
- Business and Consulting Services
- Internal Control Review and Analysis
- Fraud Risk Assessments



INDUSTRY EXPERTISE:

- K-12 School Districts
- Colleges, Universities, and Community Colleges, including:
 - ε Associated Students, Inc.
 - ε Foundations
 - ε Auxiliary Services
 - ε Student Financial Aid
 - ε Bookstore Operations
 - ε Student Unions
 - ε Food Services
 - ε Grants & Federally Funded Programs
- Not-for-Profit Organizations
- Joint Power Authorities
- Title Companies
- Governmental Agencies

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2008; Promoted to Manager in 2014

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- VLS CARE Committee Co-Chair

LICENSES:

- Licensed to practice as a Certified Public Accountant in the state of California since August of 2011.
- Certified Information Technology Professional candidate

EDUCATION:

- Bachelor of Science in Business Administration with an emphasis in Accounting, California State Polytechnic University, Pomona

LANGUAGES:

- Chinese (Mandarin & Cantonese)

PERSONAL:

- Jessie enjoys traveling and spending time with family and friends.

John Hostetler, CDFE, MCP, Network+, A+ Manager

PRACTICE AREAS:

- Technology Solutions
- Computer Networking
- Computer Hardware/Software Solutions
- Communications Technology
- Web Application Development
- Website Design & Graphics
- Data Security
- Database Design
- Computer Forensics



INDUSTRY EXPERTISE:

- Skills applicable to most industries

SOFTWARE EXPERTISE:

- Microsoft Windows (XP, Vista, 7, Server 2003/2007)
- Microsoft Office
- Adobe Acrobat
- Adobe Photoshop, Dreamweaver and Premiere Elements, Flash
- Microsoft Exchange Server
- Forensic Toolkit
- Various programming languages (Visual Basic, HTML, ASP, ASP.NET, JavaScript, etc.)

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2003; Promoted to Manager in 2010

CERTIFICATIONS:

- Certification as a Certified Digital Forensics Examiner in June of 2011
Certified in A+, Network+, MCP

EDUCATION:

- Bachelor of Science in Business with emphasis in Computer Information Systems, California State Polytechnic University, Pomona, CA

PERSONAL:

- John enjoys playing music, outdoor activities, golf, bowling, surfing, snowboarding, movies, and traveling.

Ana Rodriguez, CPA, CFE Senior Associate

PRACTICE AREAS:

- Financial and Compliance Audits
- Proposition 39 Financial and Performance Audits
- Fraud Investigation
- Forensic Accounting
- Internal Control Review and Analysis

INDUSTRY EXPERTISE:

- Community College Districts
- K-12 School Districts
- Joint Power Authorities
- Charter Schools
- Governmental Agencies

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2013

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- Certification as a Certified Fraud Examiner, July 2015.

EDUCATION:

- Bachelor of Science in Business Administration with an emphasis in Accounting, Co-valedictorian, California State Polytechnic University, Pomona,

PERSONAL:

- Ana enjoys running, biking, rollerblading, reading and spending time with her husband and two teenage daughters.



Michelle Cok

Associate and CPA Candidate

PRACTICE AREAS:

- **Forensic Accounting**
- **Fraud Investigation**
- **Financial and Compliance Audits**
- **K-12 School Districts**
- **Governmental Agencies**
- **Charter Schools**

PROFESSIONAL BACKGROUND:

- **Joined Vicenti, Lloyd & Stutzman in 2014.**

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- **American Institute of Certified Public Accountants – Student Member**
- **California Society of Certified Public Accountants – Student Member**
- **Candidate for Certified Fraud Examiner License**

EDUCATION:

- **Bachelor of Science in Accounting, California Baptist University, 2015**

PERSONAL:

- **Michelle enjoys traveling, camping, going to Disneyland, and spending lots of time with her friends, family, and fiancée.**

Arandy Espinal **Associate and CPA Candidate**

PRACTICE AREAS:

- Forensic Accounting

PROFESSIONAL BACKGROUND:

- Joined Vicenti, Lloyd & Stutzman in 2015

PROFESSIONAL AND COMMUNITY ACTIVITIES:

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

EDUCATION:

- Bachelor of Science in Accounting, California State Polytechnic University, Pomona, 2015

PERSONAL:

- Arandy enjoys outdoor activities.



GENERAL METHODOLOGY AND APPROACH

Both phases of this project will be completed utilizing standards in accordance with the American Institute of Certified Public Accountants (“AICPA”) Statements on Standards for Consulting Services contained in Rule 201 of the AICPA Code of Professional Conduct. In consulting engagements, the nature and scope of work is determined solely by the agreement between the practitioner (VLS) and the client (West Contra Costa Unified School District). The project does not constitute an audit, compilation, or review, in accordance with Standards of the AICPA, the objective of which would be the expression of an opinion on any specified elements, accounts, or items.

FRAUD RISK ASSESSMENT METHODOLOGY AND APPROACH

Significant reporting in the media indicates concerns that millions of dollars to date have been mismanaged and wasted with regard to the bond-funded construction projects for the District. This includes the complaint from the District employee who has raised concerns over operational issues and complications involved in running a billion dollar bond program. This employee has questioned whether the alleged problems within the bond program are due to incompetence, corruption, or staff “hiding” problems that occur under their watch.

Schemes involving fraud and corruption permeate the highly competitive and fragmented construction industry on a fairly frequent basis. These types of activities often include: fraudulent or inflated invoices for supplies, material and equipment; “workers” who appear on payroll but do not contribute to construction projects; manipulation of records to inflate labor costs and conceal violations of labor contracts; substitution of products with inferior and less expensive materials that do not conform to contract requirements; and fraud or collusion within the procurement process.

If selected by the District, our process will begin by thoroughly reviewing the District employee’s complaint and supporting documents to gain a detailed understanding of the specific concerns and allegations. VLS will then seek a meeting with the Clay Investigation Subcommittee and any District executives the Subcommittee might choose. These two steps will be the starting point of our process for gathering information to prepare our Fraud Risk Assessment Matrix.

To fully assess fraud risks, VLS will arrange to learn the processes and systems of the District’s bond-funded construction program. This will be accomplished through a combination of reviewing relevant documents and interviewing District employees and others that may have knowledge of the concerns raised in the District employee’s complaint.

These initial efforts are the foundation for VLS to effectively analyze the risks of fraud, corruption or waste. The adequacy of controls in place must be assessed for vulnerability. Audit trails must be clear and readily available for analysis. This assessment must be conducted in a way that considers the applicability of existing laws and regulations, as well as the contract terms and the idiosyncrasies of the construction industry.

GENERAL METHODOLOGY AND APPROACH

FRAUD RISK ASSESSMENT METHODOLOGY AND APPROACH (continued)

Review of Documents

As requested by the District, the scope of the fraud risk assessment will cover the Fiscal Years Ended 2013 and 2014. For this time period, VLS will review the following reports and identify any overlap with the District employee's complaint:

- District's Audit Reports
- Bond Performance Audit Reports
- Bond Financial Audit Reports
- Bond Agreed-Upon Procedures (draft) for Fiscal Year 2014

VLS will also request and review other relevant documents, including process and procedure manuals, Board policies, bond related documents, and construction related records. Particular attention will be given to understanding those aspects of the District's processes which relate specifically to the concerns raised in the District employee's complaint, including:

- Billing and performance of the District's outside construction manager,
- Vendor contract administration and billing,
- Budgeting practices,
- Change order approval and accounting practices,
- Adequacy of project accounting systems,
- Adequacy of performance audits,
- Conflict of interest, and
- Compliance with legal requirements and Board policies.

Interviews

Interviews of key District employees involved in the bond-construction program and certain areas of finance will be performed to obtain additional details of District processes and controls that may not be documented in written form and to ascertain whether District policies are being followed. These interviews will include employees involved in vendor contracting, budgeting, bond construction management, and other departments that have direct involvement with the bond-funded construction projects of the District. Additionally, if allowed by the terms of the contracts with the District, VLS will attempt to interview the auditors responsible for conducting the work related to the audit reports mentioned above.

Our VLS Forensic Services Team is led by Ernie Cooper, a retired FBI agent, with over 30 years of experience interviewing witnesses and subjects of investigations on confidential matters. Prior to joining VLS, Ernie worked with several distinguished organizations including KPMG, the FBI and PricewaterhouseCoopers (formerly Coopers & Lybrand).

GENERAL METHODOLOGY AND APPROACH

FRAUD RISK ASSESSMENT METHODOLOGY AND APPROACH (continued)

Interviews (continued)

Before retiring as an FBI Special Agent, his FBI experiences involved working with the “mafia,” bank robbers, kidnappers, undercover operations and white collar criminals all over the country. Ernie’s extensive background and multiple credentials—Certified Public Accountant, Certified Fraud Examiner, Certified in Financial Forensics and Juris Doctorate of the California State Bar—have contributed to his success in managing financial fraud investigations in the private sector. He also has vast experience in conducting corporate internal financial investigations that involve allegations of fraud and encompass embezzlement, theft, bribery, conflicts of interest and other types of financial irregularities. Ernie is highly regarded for his work with all levels of law enforcement and has frequently testified in court as an expert in forensic accounting and fraud matters. Since joining VLS in 2005 and serving as lead Partner of the Forensic Services Division, Ernie has had direct involvement and oversight in numerous cases involving California school districts – from fraud and internal controls assessment and implementation of anti-fraud programs to complex investigations of financial fraud leading to arrest and prosecution. He is a seasoned fraud expert with a proven track record of interacting with multi-levels of personnel from entry-level staff to the highest level of management to board members of school districts, as well as legal counsel for school districts.

Fraud Risk Assessment Matrix

Upon completing our interviews and review of records, we will review the results and prepare a detailed Fraud Risk Assessment Matrix in order to:

- Identify the potential inherent fraud risks
- Assess the likelihood and significance of occurrence of the identified fraud risks
- Evaluate which people and departments (involved in the bond-funded construction program) are most likely to commit fraud and identify the methods they are likely to use
- Identify and map existing preventive and detective controls to the relevant fraud risks
- Evaluate whether the identified controls are operating effectively and efficiently
- Identify and evaluate residual fraud risks resulting from ineffective or nonexistent controls

GENERAL METHODOLOGY AND APPROACH

FRAUD RISK ASSESSMENT METHODOLOGY AND APPROACH (continued)

Fraud Risk Assessment Matrix (continued)

The Fraud Risk Assessment may reveal certain residual fraud risks that have not been adequately mitigated due to lack of, or non-compliance with, appropriate preventive and detective controls. Throughout the assessment, we will determine whether the procedures and policies in place are adequate to detect organized crime influence, fraud, or corruption. We will also determine whether there is a risk that contractors are hired or have been hired inappropriately based upon nepotism or other relationships which could generate potential conflicts of interest.

Scope of Work

Combined with the concerns raised in the District employee's complaint, VLS will assess the likelihood of fraud, abuse or improper expenditure and provide guidance to the Clay Investigation Subcommittee regarding the need for a forensic accounting investigation. If an investigation is recommended to the subcommittee, we will develop a scope of work, timeline, and not-to-exceed contract amount for completion of the investigation.

To determine the appropriate scope of work, VLS will:

- *Develop a fraud theory* of what could have gone wrong or how fraud could have been perpetrated in a particular area or with particular transactions
- *Determine where evidence is likely to exist* and what documents and information will need to be gathered and examined in the forensic accounting and investigative phase

FORENSIC ACCOUNTING AND INVESTIGATIVE APPROACH

If it is determined that a forensic accounting investigation is needed based on the results of the Fraud Risk Assessment, the specific areas to be investigated will be identified at that time. The investigation phase will look deeper at areas of possible fraud, corruption or abuse of authority. The nature of the investigative procedures to be applied will depend on the fraud risks identified. The VLS Forensic Services Team is comprised of highly experienced investigators with nearly 200 years of combined experience who will be able to determine and implement the appropriate steps.

Ernie Cooper, the team leader, has over 40 years of professional experience encompassing accounting, internal and external auditing, financial crimes investigations, non-financial investigations, public corruption, fraud, corporate investigations and financial crime investigations. His experience includes eight years with "Big 4" and small CPA firms, over twenty years as a Federal Bureau of Investigation (FBI) Special Agent, and twelve years (post-FBI career) as a forensic accounting and financial crimes investigator in the private sector.

GENERAL METHODOLOGY AND APPROACH

FORENSIC ACCOUNTING AND INVESTIGATIVE APPROACH (continued)

Jenny Dominguez, the primary Manager assigned to this project, has over fifteen years of professional experience in internal and external auditing, forensic accounting, and fraud investigations. Her experience includes over ten years of experience with “Big 4” and large consulting firms prior to joining VLS.

During this phase, our goal will be to determine (1) whether there is a likelihood of fraud, corruption or abuse, (2) what procedures can be performed to either prove or disprove the existence of fraud, corruption or abuse, and (3) whether the available evidence supports or disproves the existence of fraud, corruption or abuse.

A combination of the following procedures may be used during this phase:

Data analytics – Advanced software tools will be used to review financial relationships, to identify unusual transactions or data patterns, and assist in identifying transactions that should be reviewed or further examined.

Document examination – Based on the specific concerns of fraud, VLS will work with the District in identifying available records and documentation to substantiate the appropriateness and legitimacy of a sample of transactions.

Interviews – Additional interviews may be conducted to gather additional information related to specific transactions. These interviews could involve neutral third-party witnesses, corroborative witnesses, co-conspirators, and possibly the subject of any investigative areas. Our VLS Forensic Services Team is uniquely qualified to conduct interviews. Our team is led by Ernie Cooper, a retired FBI agent, with over 20 years of experience in interviewing witnesses and subjects of investigations on sensitive matters.

Computer forensics and email review – Certain schemes of fraud and corruption happen off the books of the victim organization. Additional evidence can be gathered by reviewing documents and emails of those that may be involved in a particular scheme.

GENERAL METHODOLOGY AND APPROACH

FORENSIC ACCOUNTING AND INVESTIGATIVE APPROACH (continued)

Background checks and investigations – To determine whether conflicts of interest exist, background checks may be conducted on certain individuals to assist in identifying company affiliations or personal relationships.

Observations – On-site observations of construction sites may be necessary to provide further evidence of the type and level of activity related to certain projects and procedures being followed.

INFORMATION TECHNOLOGY

The project team will include two Information Technology Specialists to maximize the use of information and data analytics. Both IT specialists are highly experienced at working hand in hand with investigators and auditors in reviewing databases, software systems, and assessing its benefits and vulnerabilities to a specific mission. The IT specialists will play a role in the initial risk assessment conducted to assist in determining whether computerized controls are in place and to what extent. During the investigation phase, the IT specialists will assist in forensically gathering, analyzing, and testing computerized data.

RELEVANT EXPERIENCE

SCHOOL DISTRICTS AND OTHER GOVERNMENTAL AGENCIES

VLS has extensive experience conducting financial statement audits, Proposition 39 bond performance audits, fraud investigations, forensic accounting projects and other consulting services for K-12 school districts, charter schools, community colleges, and other governmental agencies. Specifically, education clients make up more than half of our practice, and many of our employees work directly in our service groups that service these industries. Our Local Education Audit team identified to work with the District on this project has over 90 years of combined experience working with school districts and other governmental agencies. This provides VLS with a unique understanding of your organization's structure, financial systems, and regulation requirements.

VLS knows school districts. In November 2000 when Proposition 39 was passed, VLS became one of the first audit firms to develop a quality audit process that helps California school districts meet the legal requirements of Proposition 39. Since that time, we have worked with school districts throughout California to assess internal controls and to ensure compliance with Proposition 39 requirements, as specified by specific articles in the California Constitution and certain provisions of the California Education Code. The majority of the school districts that we service have general obligation bonds included in the scope of the annual audit. We understand that the financial statements of a school district provide citizens, parents, employees, taxpayers, and voters with information that can boost their confidence in their ability to provide the services they are designed to provide. We help our K-12 school district clients by staying connected to education industry decision makers; continually developing an in-depth understanding of the industry, and monitoring on-going changes in accounting standards.

Our reputation for credibility and success in the education community is powered by our dedication to understand the unique requirements of school audits. We work hard to make sure that each audit professional is knowledgeable, capable and consistently meets and exceeds our clients' expectations. Our Certified Public Accountants and skilled audit professionals have awareness of emerging issues and legislation affecting school districts.

FORENSIC ACCOUNTING AND INVESTIGATIONS – BOND PROGRAMS AND SCHOOL DISTRICT FINANCES

The VLS Forensic Services Team will be heading up this project, while partnering with Partners and Managers from the School Services Division. The Forensic Services Team consists of two Partners, one Senior Manager, two Senior Associates, two Associates, and a designated executive assistant. This makes VLS one of the largest Forensic Services teams for a mid-sized firm located in Southern California. We are known to our local competitors as the "go-to" firm for fraud investigations and forensic accounting services, particularly with education and other government agencies. The team has 100 years of combined experience, including a former Special Agent of the Federal Bureau of Investigation (FBI) and "Big 4" experience.

RELEVANT EXPERIENCE

FORENSIC ACCOUNTING AND INVESTIGATIONS – BOND PROGRAMS AND SCHOOL DISTRICT FINANCES (continued)

We are a group of professionals trained and certified to discover and investigate fraud. The VLS Forensic Services Team understands what is at stake – lost resources, board and public confidence and public money. We have helped school districts restore one or all of these over the years. Pursuing allegations and circumstances involving fraud and abuse is a complex process. We have conducted investigations that involve allegations of asset misappropriation, theft, embezzlement, bribery and corruption. Applying a discreet approach, we have worked with legal counsel to assess allegations and develop investigative strategies; determined the method of fraud; identified the perpetrators; quantified loss; identified internal control weaknesses; offered recommendations to minimize fraud risk; prepared reports for regulatory agencies and law enforcement; assisted with insurance recovery; provided expert witness testimony; and delivered on-site crisis management.

Our computer forensics expert is able to inspect digital media in a forensically sound manner. Using specific techniques, we are able to locate incriminating files without tampering original data to ensure that evidence will hold up in court in the event of litigation. Personnel can also be trained on the proper protocols for electronic devices involved in an alleged fraud.

The Forensic Services Team holds designations as Certified Public Accountants (CPAs), Certified Fraud Examiners (CFEs), and Certified in Financial Forensics (CFFs). The CFE designation is awarded to select professionals responsible for detecting, deterring, and investigating fraud. Four of the team members identified for this project have their CFE license. The CFF designation is granted by the American Institute of Certified Public Accountants (AICPA) exclusively to CPAs who demonstrate considerable expertise in forensic accounting through their knowledge, skills, and experience. Three of the team members identified for this project have their CFF license.

Approximately half of the forensic accounting and fraud investigation projects conducted by the Forensic Services Team are related to school district finances or bond programs. These have included the following projects:

- Forensic accounting of construction related activities for a 15-year time frame for a K-12 school district
- Investigations of embezzlement by school district employees at various levels of authority, including executive level employees
- Forensic accounting and internal control review of bond related program for K-12 school district
- Internal control reviews and fraud risk assessments related to school district finances
- Fraud investigation of certain individuals within the facilities department at a K-12 school district, which included a review of construction related activities, processes, and controls

RELEVANT EXPERIENCE

FORENSIC DATA RECOVERY

The VLS Forensic Services Team includes John Hostetler, who is a Certified Digital Forensics Examiner. John has worked closely with our other Forensic Services team members during various forensic accounting projects, investigations, and litigation support projects to navigate the intricacies of forensically obtaining and restoring client related data. If phase 2 becomes a large and significant engagement, VLS has several other resources to draw from for forensic data needs, many of which are through Ernie Cooper's contacts from the FBI. The specific needs in this area will be assess more thoroughly during Phase I.

FORENSIC ACCOUNTING – PUBLIC CONSTRUCTION

The VLS Forensic Services Team has a unique level of experience performing forensic accounting and investigation services related to public construction projects. Senior Manager, Jenny Dominguez, prior to joining VLS, worked on a special audit of the construction management department within a local water agency. The special audit involved the assessment of procedures and controls over procurement and contracting with vendors, with a keen look at whether internal policies and laws and regulations were being followed.

The VLS Forensic Services Team has conducted internal forensic accounting investigations for a large construction company that has a significant presence in the public construction arena. These investigations have focused on internal processes and procedures of the construction company in allocating labor and material costs and billing its public agency clients. This work has given VLS a unique perspective on the inter-workings of the construction companies intimately involved in public agency construction projects. This experience enhances VLS's ability to assess areas of potential fraud, corruption, and abuse related to the District's bond-funded construction projects.

VLS has also provided services to community college districts related to public construction matters, including forensic accounting projects and fraud investigations. Some of these projects have focused on concerns related to procurement of vendor contracts, public bidding requirements, and labor hours. VLS has performed several investigations related to facilities and construction that focused on executive management in school districts.

FORENSIC ACCOUNTING AND INVESTIGATIONS – WHISTLEBLOWER COMPLAINTS

The VLS Forensic Services Team has worked on several forensic accounting projects and investigations that stemmed from whistleblower complaints. Most recently, the team finished a 9-month forensic accounting and investigation project for a county Medi-Cal program that involved allegations by the then current Chief Financial Officer. The allegations investigated were related to the reporting of financial information to the plan's Board of Commissioners, misuse of plan funds, payroll related discrepancies, and procurement practices.

RELEVANT EXPERIENCE

FORENSIC ACCOUNTING AND INVESTIGATIONS – WHISTLEBLOWER COMPLAINTS (continued)

Other whistleblower complaints investigated by the VLS Forensic Services team have included investigations of financial misconduct by an executive within a construction company, misuse of grant funds by a private University, and fraudulent financial reporting at a City government.

Whistleblower cases present a unique situation in that they involve current employees alleging misconduct by the organization, management, and/or the governing body. These cases are typically very public, which is the case for the District, and it is important to conduct a credible and reliable investigation that can be relied upon by the governing body and regulatory investigations. We understand the sensitivity to costs and workplace interruptions in the course of not only whistleblower related investigations, but all investigations. We are experienced in working with organizations to work through these issues and deliver results that will help provide a resolution.

Ernie Cooper has worked on several sensitive cases involving whistleblowers. As a former FBI Special Agent, Ernie has an excellent relationship with law enforcement, including the FBI and District Attorney's Offices of several counties. Many of the cases investigated by the VLS Forensic Services Team that involved public employee fraud or corruption were successfully referred to law enforcement.

OTHER RELEVANT EXPERIENCE

To further broaden our depth of experience in public construction, VLS has contracted with Scott Saddlemire, President of Superior Construction Services, Inc. Scott has over 30 years of construction experience, 26 of which were with California public schools. Scott is a retired contractor who worked his way up in the construction industry from apprenticeship to project manager. Scott formerly owned a general contracting and electrical contracting company, and is currently an inspector for the Division of State Architect. Scott's experience working in the industry enhances VLS's ability to assess areas of risk related to fraud, corruption, and waste within the District's bond-funded construction program. Scott will be a key resource in benchmarking public construction projects as he has an in-depth knowledge of various construction delivery systems including general contracting, multi-prime construction management, at-risk construction management, and lease-leaseback.

CLIENT REFERENCES

To assist you in your appraisal of our qualifications, we offer the following references that we encourage you to contact. Due to the sensitive nature of our services, at this time we are only providing the contact names of attorney firms we have worked with on recent investigations.

Mr. Grover Trask
Attorney at Law
Former District Attorney, County of Riverside
Former Counsel, Best, Best & Krieger
Current Contact Information:
Email: gtraskii@earthlink.net
Tel: (951) 313-4530
Tel: (951) 780-6295

Mr. Trask was the District Attorney for the County of Riverside for 24 years. He was also Of Counsel with Best, Best & Krieger, Riverside, CA. Our VLS Forensic Services Team has worked with Mr. Trask on several matters concerning forensic accounting and financial fraud investigations involving public agencies and commercial businesses. Due to the sensitivity of these matters, please contact Mr. Trask directly to obtain further details.

Mr. Warren S. Kinsler
Attorney at Law
Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive - Suite 300
Cerritos, CA 90703
Email: wkinsler@aalrr.com
Tel: (562) 653-3200

Warren Kinsler is a senior partner in the firms Pasadena and Cerritos offices, and represents California school districts and community college districts in education law, administrative law and labor relations. Our VLS Forensic Services Team has worked with Mr. Kinsler (and other attorneys in his firm) on several matters concerning forensic accounting and financial fraud investigations involving public agencies and school districts. Due to the sensitivity of these matters, please contact Mr. Kinsler directly to obtain further details.

Mr. Dale A. Ortmann
Attorney at Law
Hunt Ortmann Law Firm
301 N. Lake Ave
Pasadena, CA 91101
Email: ortmann@huntormann.com
Tel: (626) 440-5200

Mr. Ortmann is a senior shareholder and co-founder of Hunt Ortmann, with more than 30 years' experience in construction and real estate law. Our VLS Forensic Services Team has worked with Mr. Ortmann on several sensitive matters concerning forensic accounting and financial fraud investigations involving construction and contractors. Due to the sensitivity of these matters, please contact Mr. Ortmann directly to obtain further details.

OUTSOURCING, ESTIMATED TIMEFRAME, AND ESTIMATED COST OF SERVICES

PROPOSED TIME COMMITMENT

VLS can begin the project upon the receipt of a signed contract from the West Contra Costa Unified School District. It is expected that phase 1 of the project, the Fraud Risk Assessment, will require approximately 635 hours and will require 6 weeks to complete. We anticipate that work will begin around early October; therefore, a final Fraud Risk Assessment Matrix and Scope of Work for phase 2 will be delivered to the District (or designated assignee) in approximately mid-November.

ESTIMATED COST OF SERVICES

The fees for this project are as follows:

Partner/Director	\$ 350
Senior Manager	270
Consultant	270
Manager	195
Senior Associate	160
Associate	140
Clerical	110

VLS will bill for this project on a monthly basis as work is performed. VLS will bill time only if incurred and therefore if the project requires less time than projected, the cost will be less. Below is a summary of the expected hours and costs, summarized by workstep, using an average cost of \$220 per hour. The total estimated costs, including travel related costs, are \$150,000.

	<u>Estimated Hours</u>	<u>Cost</u>
Initial Meeting & Planning	25	\$ 5,500
Review Complaint & Other Documents	170	37,400
Interviews	185	40,700
Review Audit Reports	20	4,400
Prepare Fraud Risk Assessment Matrix	90	19,800
Prepare Phase 2 Scope of Work	60	13,200
Project Oversight, Supervision & Review of Work	85	18,700
	<u>635</u>	<u>\$ 139,700</u>
Estimated Travel Related Costs		<u>\$ 10,300</u>
Total Estimated Costs for Phase 1		<u>\$ 150,000</u>

ADDITIONAL INFORMATION – ASSURANCES

INDEPENDENCE & LICENSE TO PRACTICE

Vicenti, Lloyd & Stutzman LLP is qualified to render an opinion in accordance with auditing standards generally accepted in the United States of America. We are independent from West Contra Costa Unified School District, and we meet the independence requirement of the General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.

All key personnel performing work on this audit are Certified Public Accountants, members of the American Institute of Certified Public Accountants, and the California Society of CPAs.

CONFLICT OF INTEREST

VLS is not aware of any existing or potential conflict of interest matters that impair our independence for the performance of this engagement.

INSURANCE

Vicenti, Lloyd & Stutzman carries workers' compensation, commercial general liability, commercial automobile liability, and professional liability insurance. A certificate of insurance is available upon your request.

AFFIRMATION ACTION POLICY

VLS does not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.

PEER REVIEW

Vicenti, Lloyd & Stutzman is a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). Membership with the PCPS requires that an outside firm conduct a peer review of our quality control procedures every three years. Because of the volume of audits we conduct, reviews of VLS work always include educational and governmental engagements. Most importantly, our peer reviews have always returned an unqualified ("clean") report. Our most recent peer inspection was conducted in May 2013. We have never faced disciplinary action. The most recent letter documenting our clean report is at the end of this document.

ADDITIONAL INFORMATION – ASSURANCES

PEER REVIEW DOCUMENTATION



System Review Report

To the Partners of Vicenti, Lloyd & Stutzman, LLP
and the Peer Review Committee of the
California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Vicenti, Lloyd & Stutzman, LLP (the firm) in effect for the year ended December 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Vicenti, Lloyd & Stutzman, LLP in effect for the year ended December 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vicenti, Lloyd & Stutzman, LLP has received a peer review rating of *pass*.

Campbell Taylor & Company
May 24, 2013

Thank you...for the opportunity to present this proposal to the West Contra Costa Unified School District.

If there is additional information we can provide, please don't hesitate to ask.

VLS is here to help.