

FI (1) Work Step

Conduct appropriate investigative steps to identify contributions, gifts, or other payments made by District vendors to specific outside organizations, District Board members, or District employees, which may have been given as a result of undue influence by District Board members or District employees.

Related Allegation

COI (3) – Allegations of kickbacks to Charles Ramsey

Results of Testing

As more fully articulated in Section V, Work Performed by VLS, VLS performed certain investigative steps to identify contributions, gifts, or other payments made by District vendors to specific outside organizations that are closely related or connected to the District, District Board members, or District employees, which may have been given as a result of undue influence by District Board members or District employees.¹¹⁴

A summary of investigative steps performed by VLS included interviews of certain District employees, both present and former; interviews of certain current and former vendors of the District Bond Program; and certain other individuals.

VLS also requested in writing specific financial information from vendors of the Bond program. Some vendors fully complied with the request. Other vendors, did not provide VLS with this information. Section VI of this report fully documents vendors who did not comply with VLS's request.

To meet this objective, VLS approached this in a three-part test.

- Part (A) is to determine whether vendors of the District Bond Program made any contributions to organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program.
- Part (B) is whether any Board member or District staff solicited either directly or indirectly any vendors to make these contributions.

¹¹⁴ Undue influence refers to whether vendor(s) felt any pressure either directly or indirectly to make a contribution.

- Part (C) is whether vendors felt any pressure (either directly or indirectly) to make these contributions in order to do business with the District or to continue to do business with the District.¹¹⁵

(A) Contributions made by vendors to organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program.

Results of Work Performed

Results of the work performed reveal that vendors of the District Bond Program did make contributions to organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program. The schedules that follow detail the vendors of the District Bond Program and the amount of the contributions they made to the various organizations listed.

Table 6 details the contributions made by District vendors/subcontractors to organizations related to campaigns and other organizations with some connection to the District for the fiscal years 2008/09 through 2014/15.¹¹⁶ The columns have been numbered for reference as follows:

1. This column lists the vendor/subcontractor name. The companies/entities listed in this section were either District vendors or the subcontractors of the District vendors.¹¹⁷
2. This column represents the total amount paid by the District to the vendor listed in column (1).¹¹⁸ These amounts were identified through the District general ledger.
3. This column lists the amounts contributed by District vendors to the Ivy League Connection. The contributions listed are according to the records provided to VLS by the Ivy League Connection's fiscal sponsor.

¹¹⁵ The professional standards promulgated by the American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE) prohibit VLS from rendering an opinion as to whether there has been any fraud, criminal activity, corruption or bribery by anyone associated with this engagement. Therefore, VLS renders no opinion as to whether there has been any fraud, criminal activity, corruption or bribery by anyone associated with this engagement.

¹¹⁶ The source of the detail is stated in its respective summary below.

¹¹⁷ Subcontractors of SGI were identified from a list provided by SGI and through their invoices to the District. Service providers of the vendors were identified through labor and expense detail reports provided by the vendors.

¹¹⁸ There is no dollar amount included for subcontractors or service providers as the District did not pay them directly. There may be vendors listed that at one time were subcontractors to another District vendor.

4. This column lists the amounts contributed by District vendors to The West Contra Costa Public Education Fund (Ed Fund), who is the fiscal sponsor for the Ivy League Connection. The contributions listed are according to records provided to VLS by the Ed fund.
5. This column lists the amounts contributed by District vendors to For the Children of West County, which is a Political Action Committee (PAC) that represents the WCCUSD bond & parcel tax campaigns. These amounts were identified by VLS in the Contra Costa County "CampaignDocs Web Public Access" and reflect the amounts reported by the recipients on FPPC Form 460.¹¹⁹
6. This column lists the amounts contributed by District vendors to individual campaigns of District Board members. These amounts were identified by VLS in the Contra Costa County "CampaignDocs Web Public Access" and reflect the amounts reported by the recipients on FPPC Form 460.
7. This column lists total gifts from vendors/subcontractors to District employees or District Board members as reported by the Form 700.
8. This column shows the total amounts contributed by the District vendors/subcontractors.

Table 7 through Table 11, which follow Table 6, provide the detail related to columns three to seven within this table.

Table 6: Contributions Made by District Bond Program Vendors/Subcontractors

Vendor/ Subcontractor Name	Total Payments from District to Vendor/ Subcontractor	Total Vendor Contributions to Ivy League Connection	Total Vendor Contributions to Education Fund	Total Vendor Contributions to "For the Children of West County"	Total Vendor Contributions to all other Campaigns	Total Gifts from Vendor Reported on Form 700	Grand Total (Columns 3-7)
1	2	3	4	5	6	7	8
WLC Architects, Inc.	\$ 17,011,399	\$ 268,500	\$ 17,583	\$ 296,000	\$ -	\$ 850	\$ 582,933
The Seville Group (SGI)	57,518,511	275,000	5,000	120,000	16,500	2,501	419,001
Deems Lewis McKinley	8,288,797	167,500	17,500	115,000	-	-	300,000
Hibser Yamauchi Architects	10,961,463	44,000	2,500	81,000	8,000	-	135,500
Powell & Partners Architects	8,521,565	38,000	-	61,000	20,250	-	119,250
Interactive Resources	5,381,284	57,000	-	55,250	2,500	-	114,750

¹¹⁹ Form 460 is titled "Recipient Committee Campaign Statement" and is filed with the Contra Costa County Elections agency in accordance with Government Code Sections 84200-84216.54.

Vendor/ Subcontractor Name	Total Payments from District to Vendor/ Subcontractor	Total Vendor Contributions to Ivy League Connection	Total Vendor Contributions to Education Fund	Total Vendor Contributions to "For the Children of West County"	Total Vendor Contributions to all other Campaigns	Total Gifts from Vendor Reported on Form 700	Grand Total (Columns 3-7)
Quattrocchi Kwok Architects	1,871,249	34,000	-	65,000	2,500	-	101,500
Baker Vilar Architects	4,144,121	30,600	-	55,000	2,500	-	88,100
Orbach Huff & Suarez LLP	1,313,182	18,000	7,583	17,500	-	-	43,083
Davillier-Sloan, Inc.	2,437,102	32,500	-	4,000	4,000	-	40,500
John P Grossman & Associates	3,283,900	17,500	-	15,000	-	-	32,500
Amanco	-	5,000	-	12,500	7,325	425	25,250
HMC Architects	3,104,157	11,000	-	10,450	-	-	21,450
KNN Public Finance	222,189	8,000	-	12,000	-	931	20,931
Aeko Consulting	542,972	5,000	-	11,000	4,000	-	20,000
Lathrop Construction Associates Inc.	102,655,387	-	-	10,000	-	-	10,000
Sally Swanson Architects	1,302,852	3,250	1,500	2,500	400	75	7,725
AE3 Partners, Inc.	533,765	1,000	-	6,000	-	-	7,000
Kelling Northcross & Nobriga	15,359	2,000	-	4,000	-	-	6,000
Vallier Design Associates Inc.	28,568	-	-	4,000	-	-	4,000
Bothman Construction	6,518,570	-	-	-	-	1,747	1,747
ISSA Structural Engineers	13,300	400	-	1,000	-	-	1,400
RGA Environmental Inc.	1,265,043	-	-	1,250	-	-	1,250
Kleinfelder	2,066,718	-	-	1,000	-	-	1,000
Luk and Associates	98,591	-	-	300	-	-	300
Ninyo & Moore	466,031	-	-	100	-	-	100
Total	\$ 239,566,074	\$ 1,018,250	\$ 51,666	\$ 960,850	\$ 67,975	\$ 6,529	\$ 2,105,270

Table 7 contains the detail of total vendor contributions to the Ivy League Connection as shown in column 3 of Table 6. The Ivy League Connection (ILC) is a privately financed scholarship program designed to promote the college going culture in the high schools of the West Contra Costa Unified School District.¹²⁰ Records for the ILC were received for 7/1/2009 through

¹²⁰ The WCCUSD website, under student parent resources, has a link to the ILC website. The ILC website indicates that it was founded by school Board members Madeline Kronenberg and Charles Ramsey. It also states that the school administrators volunteer their time and efforts. The Ed Fund is the Fiscal Sponsor of the ILC.

2/29/2016.¹²¹ ILC was founded by Board members Madeline Kronenberg and Charles Ramsey and it is administered by Ms. Kronenberg, Mr. Ramsey and Don Gosney.¹²² Don Gosney and Madeline Kronenberg are currently the only two administrators of the ILC. Many District vendors have contributed to the ILC, as well as the Ed Fund, and some Board members have had their children benefit from this program. Specifically, Charles Ramsey’s two children benefitted from the program and Todd Groves’ daughter benefitted from the program.

Table 7: Contributions Made to Ivy League Connection - Fiscal Years 2009/10-2015/16

Vendor/Subcontractor Name	Fiscal Year 2009/10	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14	Fiscal Year 2014/15	Fiscal Year 2015/16	Total Contributions to ILC
The Seville Group (SGI)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 75,000	\$ 50,000	\$ -	\$ -	\$ 275,000
WLC Architects	3,500	45,000	50,000	40,000	105,000	25,000	-	268,500
Deems Lewis McKinley	12,500	25,000	25,000	25,000	25,000	25,000	30,000	167,500
Interactive Resources	7,500	7,500	7,500	11,000	20,000	3,500	-	57,000
Hibser Yamauchi Architects	8,500	17,000	10,000	-	5,000	3,500	-	44,000
Powell & Partners Architects	4,500	2,500	10,000	4,000	7,000	10,000	-	38,000
Quattrocchi Kwok Architects	2,000	-	10,000	10,000	10,000	2,000	-	34,000
Davilier-Sloan	10,000	5,000	7,500	5,000	-	5,000	-	32,500
Baker Vilar Architects	3,100	4,000	7,500	5,000	10,000	1,000	-	30,600
Orbach Huff & Suarez LLP	-	-	-	5,000	10,000	3,000	-	18,000
John P Grossman & Associates	-	2,500	5,000	5,000	5,000	-	-	17,500
HMC Architects	-	-	-	3,500	5,000	2,500	-	11,000
KNN Public Finance	-	2,000	2,000	2,000	2,000	-	-	8,000
Aeko Consulting	-	-	-	5,000	-	-	-	5,000
Sally Swanson Architects	-	1,500	750	500	-	500	-	3,250
Kelling Northcross & Nobriga	2,000	-	-	-	-	-	-	2,000
AE3 Partners Inc.	-	-	-	-	-	-	1,000	1,000
Amanco	-	-	5,000	-	-	-	-	5,000
ISSA Structural Engineers	400	-	-	-	-	-	-	400
Total	\$104,000	\$162,000	\$190,250	\$196,000	\$254,000	\$ 81,000	\$ 31,000	\$ 1,018,250

Table 8 contains the detail of total vendor and subcontractor contributions to the West Contra Costa Public Education Fund as shown in column 4 of Table 6. The West Contra Costa Public Education Fund is the fiscal sponsor for the Ivy League Connection. It became the fiscal sponsor in October 2009. **Exhibit FI1-01** shows a copy of the fiscal sponsor agreement between ILC and the Ed Fund.

¹²¹The records received for the ILC were received starting with fiscal year 2009/10, which is the time when the West Contra Costa Public Education became the ILC public sponsor.

¹²²The names of funding members and administration for the ILC were identified through the ILC website.

Table 8: Total Vendor Contributions to the Education Fund

Vendor/Subcontractor Name	Date	Amount
WLC Architects, Inc.	5/25/2012	\$ 5,000
	6/6/2013	5,083
	3/31/2014	2,500
	4/10/2015	2,500
	3/4/2016	2,500
Total		\$ 17,583

Deems Lewis McKinley	2/19/2009	\$ 5,000
	4/16/2012	2,500
	1/11/2013	2,500
	4/15/2014	2,500
	3/19/2015	2,500
	1/21/2016	2,500
Total		\$ 17,500

Orbach Huff & Suarez LLP	4/15/2013	\$ 2,583
	3/20/2015	5,000
Total		\$ 7,583

The Seville Group (SGI)	12/27/2010	\$ 5,000
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Hibser Yamauchi Architects	5/3/2012	\$ 1,500
	2/12/2016	1,000
Total		\$ 2,500

Sally Swanson Architects	5/31/2012	\$ 1,500
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Table 9 contains the detail of vendor and subcontractor contributions to For the Children of West County as shown in column 5 of Table 6. For the Children of West County is a Political Action Committee (PAC) that represents the WCCUSD bond & parcel tax campaigns. Kenneth Pon CPA is the Treasurer.¹²³ Although not much more information is available related to this PAC, VLS obtained documentation that states that Charles Ramsey was the Fundraising Chair (**Exhibit FI1-02**).

Table 9: Vendor Contributions to “For the Children of West County”

Vendor/Subcontractor Name	Amount
WLC Architects, Inc.	\$ 296,000
The Seville Group (SGI)	120,000
Deems Lewis McKinley	115,000
Hibser Yamauchi Architects, Inc.	81,000
Quattrocchi Kwok Architects	65,000
Powell & Partners Architects	61,000
Interactive Resources	55,250
Baker Vilar Architects	55,000

¹²³ VLS obtained the contributions information from the Contra Costa County website “CampaignDocs Web Public Access”

http://64.166.146.18/listimages.asp?orgid=63¤tpage=1&txtName=For+th&chkPartial=on&searchtype=1&yearid=2012&ballot_id=All&district_id=All&jurisdiction_id=All&electtype_id=All&election_id=All&form_id=All&startdate=&enddate=&firsttenter=0&nextbutton=0& backpage=searchresult.asp&checkforyearrange=0&yearrange

Vendor/Subcontractor Name	Amount
Orbach Huff & Suarez LLP	17,500
John P Grossmann & Associates	15,000
Amanco	12,500
KNN Public Finance	12,000
Aeko Consulting	11,000
HMC Architects	10,450
Lathrop Construction Associates Inc.	10,000
AE3 Partners	6,000
Vallier Design Associates Inc.	4,000
Davillier Sloan, Inc.	4,000
Kelling Northcross & Nobriga	4,000
Sally Swanson Architects	2,500
RGA Enviromental Inc.	1,250
ISSA Structural Engineers	1,000
Kleinfelder	1,000
Luk and Associates	300
Ninyo & Moore	100
Total	\$ 960,850

Table 10 contains the detail of vendor and subcontractor contributions to campaigns as shown in column 6 of Table 6. District vendors contributed to individual campaigns of District Board members. This includes contributions to Madeline Kronenberg for School Board, Charles Ramsey for City Council, Charles Ramsey for Mayor of Richmond, Elaine Merriweather for School Board and Tony Thurmond for School Board.

Table 10: Vendor Contributions to All Other Campaigns

Vendor/Subcontractor Name	(Kronenberg for) School Board 2014	Charles Ramsey for City Council 2014	Charles Ramsey for Mayor of Richmond 2014	Elaine Merriweather for School Board	Tony Thurmond for School Board	Grand Total
Powell & Partners Architects	\$ 17,500	\$ -	\$ 2,750	\$ -	\$ -	\$ 20,250
The Seville Group (SGI)	7,500	-	2,500	4,000	2,500	16,500
Hibser Yamauchi Architects, Inc.	5,500	-	2,500	-	-	8,000
Amanco	3,525	-	2,500	1,100	200	7,325
Davillier Sloan, Inc.	2,000	500	-	-	1,500	4,000
Aeko Consulting	4,000	-	-	-	-	4,000
Baker Vilar Architects	-	-	2,500	-	-	2,500
Interactive Resources	2,500	-	-	-	-	2,500
Quattrocchi Kwok Architects	-	-	2,500	-	-	2,500
Sally Swanson Architects	250	-	-	-	150	400
Total	\$ 42,775	\$ 500	\$ 15,250	\$ 5,100	\$ 4,350	\$ 67,975

Table 11 contains the detail of gifts from vendors and subcontractors as reported by the recipients in Form 700s as shown in column 7 of Table 6. These are amounts of gifts from vendors/subcontractors to District employees or District Board members as reported on Form

700s filed with the county office.¹²⁴ Form 700s for District employees and District Board members were reviewed and the gifts as reported on these forms were summarized.¹²⁵ Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, also known as the Form 700. The Form 700 provides transparency and ensures accountability.

Table 11: Gifts from Vendors as Reported on Form 700

Vendor/Contractor Name	Martin Coyne	Sheri Gamba	Madeline Kronenberg	Audrey Miles	Charles Ramsey	Grand Total
The Seville Group (SGI)	\$ -	\$ -	\$ 75	\$ 226	\$ 2,200	\$ 2,501
Bothman Construction	-	-	-	-	1,747	1,747
KNN Public Finance	170	158	128	-	475	931
WLC Architects, Inc.	-	-	-	-	850	850
Amanco	-	-	-	-	425	425
Sally Swanson Architects	-	-	-	-	75	75
Total	\$ 170	\$ 158	\$ 203	\$ 226	\$ 5,772	\$ 6,529

Conclusion

This investigation revealed that certain vendors of the District Bond Program did in fact make contributions to organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program as documented and explained above. This is documented in Table 6 through Table 11.

(B) Whether any Board member or District staff solicited either directly or indirectly any vendors to make these contributions.

Results of Work Performed

Results of the work performed reveal that vendors were in fact directly or indirectly contacted by District Board members¹²⁶ and possibly other District staff to solicit contributions to the organizations identified in Part (A). Through VLS's interviews of vendors and others, and review and analysis of records and documents, the following was conveyed to VLS concerning the person(s) who solicited the organization for contributions and the method used by them to make the solicitation. See FI1-1 recommendation for this area.

¹²⁴ Except for one vendor who provided VLS with some information concerning gifts, no other vendors provided any financial information for VLS to review. As a result VLS's scope was limited concerning reviewing any gifts from vendors in terms of reconciling the amounts stated by vendors to the amounts reported by the recipients in Form 700s.

¹²⁵ Of the individuals for whom the Form 700 was reviewed, only five reported receiving gifts from District Vendors/subcontractors; therefore only these five were included in the corresponding summary schedules. These five individuals were: Sheri Gamba, Charles Ramsey, Madeline Kronenberg, Audrey Miles, and Martin Coyne.

¹²⁶ Board members at the time of the solicitation.

Ivy League Connection (ILC) and West Contra Costa Education Fund (Ed Fund)

It was conveyed to VLS consistently by the vendors and others interviewed that they were contacted primarily by then Board member Charles Ramsey. It was also conveyed to VLS that the fundraising solicitations more recently have been made primarily by Don Gosney. This was also corroborated by District Executives who advised that fundraising was done by Mr. Ramsey when he was on the Board. One vendor recalls being contacted in the early years when the ILC was starting by both Glenn Price and Mr. Ramsey, both Board members at the time the contributions were solicited. Some vendors stated that Madeline Kronenberg also has made requests of them for contributions. Ms. Kronenberg confirmed she did send out emails soliciting contributions to a list of individuals Mr. Ramsey had initiated. To her knowledge, the list came from people who had contributed to bond measures and people who had been interested in the ILC program. See FI1-2 and FI1-3 recommendations for this area.

It was conveyed to VLS consistently that the method used to solicit vendors for contributions was by either a letter mailed to them directly, an email, a personal phone call or a combination of these. Vendors stated that, generally, when Mr. Ramsey was involved in the fundraising, he would typically make a phone call soliciting a donation either before or after a letter or email had been sent to them. VLS did review an email correspondence to a vendor from Mr. Ramsey soliciting a contribution to the ILC and the request was in the names of Madeline Kronenberg and Charles T. Ramsey, Ivy League Connection (**Exhibit FI1-03**). This email correspondence states the contribution can be mailed to Ivy League Connection Attn: Charles T. Ramsey. More than one vendor stated that Mr. Ramsey would sometimes pick up the checks himself. One vendor recalled that they delivered a contribution check (they did not specify if the check was for the ILC or “For the Children of West County”) to the “superintendent who just retired last week.”

Some vendors recall attending a dinner on behalf of the ILC. In attendance were some of the architect vendors and some Board members.

For the Children of West County)

It was conveyed to VLS consistently by the vendors and others interviewed that Mr. Ramsey was the primary fundraiser for For the Children of West County. This was also corroborated by District Executives who advised that fundraising was done by Mr. Ramsey when he was on the Board. VLS also reviewed a letter from Mr. Ramsey on behalf of For the Children of West County to a vendor soliciting a contribution to For the Children of West County in the amount of \$20,000 (**Exhibit FI1-04**). This letter also mentioned to mail the check not to the address on the letterhead but to the address: For the Children of West County c/o Charles Ramsey, For the Children of West County, Fundraising Chair. The address listed for Mr. Ramsey in the letter is the same address that was listed as the mailing address for Mr. Ramsey on Form 700s.

It was consistently conveyed to VLS that the method used to solicit vendors for contributions was by mass emails, letters, and phone calls.

Additionally, more than one vendor conveyed to VLS that vendors were contacted by people who worked at the District or represented the District. The vendors advised VLS that, typically, the caller would emphasize that they were calling as a private citizen. One vendor explained,¹²⁷ “They don’t call from school phones. They don’t send letters on District letterhead. They kept it completely separate. The last request [I received] was a text from someone at the District that was from their personal cell and it said that they were contacting me as a private citizen. But it was mostly Charles Ramsey who was reaching out. And when he reached out, most of the time he said he was calling as a private citizen. Mr. Ramsey said he was taking off his Board of Trustee hat and needed to talk about the bond campaign.”

One vendor explained the process as: “When the bond campaign starts, they [the employees of the District] separate themselves from the District. These are people donating or volunteering time. They call you or you get a letter saying they have a bond. They go through marketing information. In some cases that request comes with a dollar amount. Requests have come by text, by email, by letter.”¹²⁸ One District Executive confirmed he/she has volunteered on campaigns when not on official business duty.

It was consistently conveyed that vendors were asked to participate in “Phone Banks,” typically a request made of the vendors by Mr. Ramsey who would say, “We really need the help - we really need to call these people.”¹²⁹ Volunteers were needed to make phone calls to get the word out to people to vote to pass the bond. These “Phone Banks” occurred when a bond measure was on the ballot, and some vendors recalled that the phone banking was held at the offices of Interactive Resources, a District vendor.

Vendors also conveyed attending a couple of fundraising events where other architects were there and Mr. Ramsey was there and they discussed participation in the phone banks and contributions. The architects were asked to come and bring a check. Mr. Ramsey would give his speech and a vendor recalls that WLC Architects, Inc. would provide a fruit plate.¹³⁰

Campaign Contributions and Gifts

Very limited information was provided to VLS concerning whether Board members or District staff solicited them either directly or indirectly to make campaign contributions. One vendor

¹²⁷ These statements represent summaries of some of the statements provided to VLS and are not meant to be exact quotes of individuals interviewed or documents reviewed.

¹²⁸ It was conveyed to VLS by other vendors that dollar amounts were sometimes included in the letter as a suggested amount. One vendor who wished to remain anonymous advised they were told by Mr. Ramsey of the specific amount to contribute and what he wanted them to contribute.

¹²⁹ These statements represent summaries of some of the statements provided to VLS and are not meant to be exact quotes of individuals interviewed or documents reviewed.

¹³⁰ VLS’s analysis revealed that most of the organizations that made contributions were SGI and architects and there were very few, if any, construction companies.

recalls being contacted by the professional manager of the various campaigns. One vendor recalls that Mr. Ramsey asked them directly for a contribution for Ramsey as Mayor, to which they did contribute.

Of the vendors that VLS requested financial information concerning any gifts provided to any District Board members or District staff, only a few vendors provided VLS with relevant financial information. Of the limited financial information provided from these vendors, VLS's limited testing identified some differences between the amount of the gifts and meals listed in the Form 700 and the amount provided by the vendors. For example, one vendor reported a meal and that meal was not listed in the Form 700. These differences were not fully investigated due to the limited amount of financial information provided.¹³¹

Conclusion

The investigation by VLS revealed that certain Board members, and possibly District staff, did solicit, either directly or indirectly, vendors to make these contributions.

(C) Whether vendors felt any pressure (either direct or indirect) to make these contributions in order to do business with the District or to continue to do business with the District.

Results of Work Performed

Through interviews of vendors and others, and review and analysis of records and documents, the following was conveyed to VLS concerning whether vendors felt any pressure (either direct or indirect) to make these contributions in order to do business with the District or to continue to do business with the District.¹³² See FI1-4 and FI1-5 recommendations for this area.

Ivy League Connection and West Contra Costa Education Fund

Vendors provided information to VLS about the Ivy League Connection program and Ed Fund and commented as to whether they believed they were being pressured to contribute.¹³³

¹³¹ As stated in the Scope Limitation section, SGI was one of the vendors that did not provide VLS with all of the financial information requested, including financial information concerning gifts, meals, and entertainment provided to Board members and District staff.

¹³² Some individuals provided information and documentation to VLS but were reluctant to provide further detailed information. Some also requested to remain anonymous and not be identified in the report.

¹³³ The scope of the work by VLS in this engagement does not involve an audit of the financial statements of the ILC, Ed Fund, and the For the Children of West County or an assessment and review of the effectiveness, efficiency, or legality of these same organizations.

Some of the statements include:¹³⁴

- ILC is something I feel a connection with. It gets kids from low-income areas exposed to these options to Ivy League schools. This is a program I'm personally attached to. I make a pitch in this firm to donate.
- I think it's a good program. It's more of a personal connection. I do this for personal reasons and not the business relationship.
- The ILC was something I really believed in and was happy to contribute. They take kids on field trips in the summer to Ivy League schools. They help encourage them to apply. They build relationships with those universities so they give special attention to the kids in this District. It's good publicity for the District. It's a good program because of what it does and it encourages students.
- I never felt that if I didn't give money they were going to give the work to someone else. I never saw a decrease in work based on not paying or a decrease in payments [contributions].
- I thought it was an amazing program, and I was happy to contribute.
- These guys are all friends of ours. Most things we contribute to as a business is because it's a personal connection. Someone calls you up and you do it. In the future, I may be making a call to them for one of my favorite charities. ILC is a favorite charity of Mr. Ramsey.
- I spoke with Ramsey and said that I have \$5,000 earmarked for WCCUSD this year. Asked him what he'd prefer – to ILC or to bond campaign or split it in half. He said to give it to ILC. He didn't flinch, he just said give it to ILC. He never said you need to give more or you're not getting any more work.

For the Children of West County

Vendors provided information to VLS about For the Children of West County and commented as to whether they believed they were being pressured to contribute.

¹³⁴ These statements represent summaries of some of the statements provided to VLS and are not meant to be exact quotes of individuals interviewed or documents reviewed.

Some of the statements include:¹³⁵

- We have an annual budget set aside for contributions to clients. We have policies about how much we donate. Generally, we don't donate to people we don't know. We make budgets at the beginning of the year. We are a big firm, and we get a lot of requests. We can't donate to all and not to the level they request. It's common for districts to contact the companies doing work for them. Other districts contact us and we donate to other school districts, so it didn't seem unusual.
- We do that with every school district we work with. It's a cost of doing business. Every district is told to go to vendors that benefit from the program and ask for contributions. It's something that we do. I'm sure every architect does the same thing. It's in our best interest to make sure these things pass.
- Whatever campaign contribution we gave, we never heard back from him [Ramsey] if it didn't match the suggested amount. He never said, "It wasn't enough." He's a smart guy and he knows where the boundaries are.
- The bond campaign is different. If vendors contribute, they do benefit. It's big business.
- The people that drive the campaigns are the bond consultants. They say that the people with the money are the vendors. That's who drives the process. In that respect, Ramsey is not the mastermind, he's the agent.
- Contributing to bond campaigns, it's normal. Every school district we work with operates in the same mode. They contact everyone who's worked for them before, everyone who wants to work for them. They work hard trying to get everyone to contribute to the campaigns. You just do it; it's what happens. It's a pain in the ass, but it's a cost of doing business.
- I've never seen any indication that making a contribution is tied to whether you get continued business with the District. I've never seen it happen. It's hard for people to understand this. They ask, why would you contribute if you didn't think there was going to be a quid-pro-quo? It's hard for people to understand. Short answer is no. I never felt that this was a quid pro quo for getting work from the District.

Other Statements made but not specific to any organization

Some of the statements include:¹³⁶

¹³⁵ These statements represent summaries of some of the statements provided to VLS and are not meant to be exact quotes of individuals interviewed or documents reviewed.

- Ramsey would call and say you are making money off the District so give back. It was more of I'm calling you because I need your help.
- We felt pressure to give money but not to the point that I worried I would lose business. I felt comfortable in pushing back because we didn't have the money.
- Felt pressure? Yes. Coercion? No.
- There was pressure yes, but coercion no. Ramsey would call and say, "You need to do these things."
- On contributions Ramsey would tell each of the contractors, I guess based on the amount of their contract, what he wanted them to contribute; he basically required every participant in the program to give to whatever political [cause] because he believed appropriate.
- He would extract from each of us what, in his mind, a contribution based on the value of service being provided to the district and the desire to remain working for the district.
- I will need a contribution check to take to this event. This is how we continue to get work from WCCUSD.
- He never hesitated to remind that you wouldn't be around here if you didn't come up with a certain amount.
- Every political season that the message came out. The message was always clear – here's what it costs to stay in.
- It was pretty well known that if didn't contribute to what Ramsey says; you're not going to get work with the district.
- Ramsey would ask you to pick up his meals tab – he would expect it
- He received a lot of tickets (Tickets)
- It was mostly just tickets...not meals, dinners, etc.

¹³⁶ These statements represent summaries of some of the statements provided to VLS and are not meant to be exact quotes of individuals interviewed or documents reviewed.

Conclusion

The results of testing performed by VLS reveal that vendors/subcontractors of the District Bond Program were directly and indirectly solicited by District Board members and possibly other District staff to solicit contributions to organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program. In addition, more than one vendor conveyed that in making these contributions, they felt pressured (both directly and indirectly) to make these contributions in order to continue to do business with the District. Taking all these factors into consideration, this created at a minimum an environment where some vendors did feel undue influence to make these contributions when solicited.

As stated, VLS, by professional standards, makes no opinion as to whether there has been any fraud, criminal activity, corruption, bribery by anyone associated with this matter; this includes an opinion as to whether Mr. Ramsey was paid any kickbacks.¹³⁷

Recommendations

Our recommendations in this area are best practices for the District in order to promote transparency, full disclosure, and minimize not only any actual conflicts of interest but also avoid any appearance of a conflict of interest by Board members and District staff. These recommendations also help to minimize any pressure and undue influence on vendors to make contributions to District related organizations.

FI1-1. Draft a “District Business Ethics Expectations” policy which articulates business ethics requirements for vendors, contractors and others doing business with the District Bond Program. Require all vendors, contractors, and subcontractors who will be doing business with the District Bond Program to implement a program requiring their employees sign acknowledgements that they have read and understand the “District’s Business Ethics Expectations” policy and the related obligations.¹³⁸ This policy can be incorporated within the existing Board policy 9270.

- a. Include language in this “District’s Business Ethics Expectations” policy which requires vendors, contractors and subcontractors, who will be doing business with the District Bond Program, to disclose in writing to the District when they

¹³⁷ The professional standards promulgated by the American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE) prohibit VLS from rendering an opinion as to whether there has been any fraud, criminal activity, corruption or bribery by anyone in this matter. Therefore, VLS renders no opinion as to whether there has been any fraud, criminal activity, corruption, or bribery by anyone in this matter.

¹³⁸ This recommendation is complementary to TC7-5 and TC8-4 recommendation.

make any contribution or donation to any organizations or nonprofit charitable organizations in any way related or connected to the District or District Board member and any contributions to campaigns for District Board members and Bond campaigns.

- b. This “District’s Business Ethics Expectations” policy should also address:
 - i. District expectations that vendors, contractors, and subcontractors, while performing contract work, maintain business ethics standards aimed at avoiding any impropriety or conflict of interest which could be construed to have an adverse impact on the District’s best interests.
 - ii. Vendors, contractors, and subcontractors shall permit interviews of employees, reviews and audits of accounting or other records by District representatives to evaluate compliance with the spirit of these business ethics expectations.¹³⁹
- c. Require Board members and District staff to fully disclose to the Board in writing any solicitation of contributions from vendors, contractors, subcontractors doing business with the District organizations related to campaigns and other organizations with some connection to the District and/or the District Bond Program. Encouragement of full disclosure will discourage the potential for any improper influences and encourage the consideration of possible recusal by a Board member.¹⁴⁰

FI1-2. Review any agreement(s), or policies with the ILC to ensure they are current, relevant and in compliance with all appropriate legal, administrative, and best business and ethical practices. Establish clear criteria with the ILC concerning eligibility of scholarships by children and family members of Board members or District Executives (including whether children of the same should be allowed to be recipients) and full disclosure to the public of these family recipients of ILC scholarships.¹⁴¹

¹³⁹ See FI3-4 for further recommendations concerning the right to audit clause.

¹⁴⁰ See TC4-3 for further recommendations concerning governance and conflict of interest by Board members.

¹⁴¹ VLS was advised that Mr. Ramsey’s and Mr. Groves’ children were recipients of scholarships of the ILC. The following is a summary of what Ms. Kronenberg advised VLS concerning the selection of Mr. Ramsey’s children: It was in approximately 2008 or 2009. I think they are both in college now. One is a senior and one is a sophomore. Concerning their selection, I did not see or ever hear anything concerning a conflict with their selection. I was present at the interview. I was just an observer. I was not on the committee for the interviews. The interview committee was comprised of community members, people involved in funding and alums of the universities they were going to. I said nothing. The people there did not know

- FI1-3. In coordination with the ILC, review and evaluate marketing materials and information brochures about the ILC to ensure these materials fully disclose information about the donors and their vendor relationship with the District Bond Program.
- FI1-4. As previously stated, the professional standards promulgated by the American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE) prohibit VLS from rendering an opinion as to whether there has been any fraud, criminal activity, corruption or bribery by anyone associated with this engagement. Therefore, VLS renders no opinion as to whether there has been any fraud, criminal activity, corruption, or bribery by anyone associated with this engagement. However, VLS recommends that legal counsel provide guidance and counsel to the Subcommittee for the Clay Investigation and the Board to determine whether this report should be referred to appropriate law enforcement agencies for appropriate action.
- FI1-5. The District should consult with legal counsel to determine whether further course of action is appropriate. Specifically, the failure of SGI to provide requested documents and allow interviews of SGI personnel, which resulted in a scope limitation of the work VLS was able to perform. Therefore, SGI may have been in breach of the Right to Audit Clause of the contract between the District and SGI by failing to provide VLS access to requested documents after reasonable notice was provided.

Response by District

- FI1-1. The District agrees with the recommendation that policy provisions are needed which further articulate business ethics requirements for vendors, contractors and others doing business with the District bond program. District staff will make a recommendation to the Board's Governance Subcommittee to review the audit firm's recommendations, together with the existing Board Policy 9270, and make a recommendation to the full Board for language revisions, if any.
- FI1-2. The District agrees with the recommendation to review policies regarding the Ivy League Connection to ensure that they are current, relevant, compliant and encourage best business and ethical practices.
- FI1-3. The District agrees with the recommendation.
- FI1-4. The District agrees with the recommendation.
- FI1-5. The District agrees with the recommendation.

who those people were. It was all very open – it was completely known. The only thing that was not known was the people in the room. The information has only their first names.

VLS's Assessment of Response by District

VLS has reviewed the District response to VLS's recommendations and acknowledges the District's agreement with the recommendations provided.