

## V. Work Performed by VLS

### Interviews

During the weeks beginning 3/7/2016 and 3/14/2016, the VLS team conducted interviews of District staff, SGI staff, and other relevant individuals related to the TC areas. The purpose of these interviews was to understand, in detail, and document the processes and internal controls surrounding the TC areas. After the interviews were completed, the VLS team documented the detailed processes related to each TC area, identified significant internal controls, and selected a sample of transactions for testing the key controls.

In total, 46 different interviews were conducted with 23 different individuals. Table 68 lists the categories of individuals that were interviewed for the TC related areas.

**Table 68: Individuals Interviewed Related to TC Areas**

Category	Number of Individuals
District Employee	11
CBOC Member	4
District Vendor	3
SGI Employee	2
Board Member	2
District Contractor	1
Total	23

During the weeks beginning 5/23/2016, 6/27/2016, and 7/4/2016 the VLS team conducted the interviews of District vendors, employees, and Board members related to the FI areas. VLS conducted certain interviews with District vendors and a subcontractor by phone. The purpose of these interviews was to gain an understanding of specific FI related issues. In total 16 interviews were conducted for the FI area as listed in Table 69.

**Table 69: Individuals Interviewed Related to FI Areas**

Category	Number
District Vendor	10
District Employee	4
Subcontractor to District Vendor	1
Board Member	1
Total	16

In addition to the interviews conducted, follow-up phone calls and emails were made, as necessary, with certain District employees and vendors during the testing period for both TC and FI areas.

## Documents

### Documents Obtained from the District

VLS accessed multiple District documents from the District website including the following:

- Bond Program audit reports
- Board policies
- District Board meeting agendas, packets, and minutes
- Facilities Sub-Committee meeting agendas, minutes, and presentations
- Citizens' Bond Oversight Committee meeting minutes and agenda packets
- Facilities Master Plan documents
- Construction Project Status Reports

In addition to documents obtained from the District website, VLS requested and received from the District multiple documents relevant to both the TC and the FI areas, as discussed within each TC and FI section. A "secure portal" protocol was utilized to ensure that all documents, records, and information received during the course of this project were transferred securely and were appropriately maintained in accordance with any legal, investigative, and/or consulting standards for this project.

Many of the documents requested were specific historical documents related to certain allegations. These documents included items such as vendor contracts, vendor contract amendments, change order listings and documents, add-service listings and documents, and Requests For Proposals for certain projects, to name a few. In addition to these types of documents, VLS also requested the following Bond Program financial information:

- General ledger listing expenditures for the period starting with the 2000/01 fiscal year through the 2014/15 fiscal year; and for the 2015/16 fiscal year from 7/1/2015 through 2/29/2016
- Disbursement ledger listing disbursements for the period of 2008/09 through the 2014/15 fiscal year; and for the 2015/16 fiscal year from 7/1/2015 through 2/29/2016
- Vendor disbursement support for transactions selected for the TC and FI sections as detailed in the TC and FI sections

### Documents Obtained from Third Parties

For several of the FI areas VLS obtained documents from third parties as follows:

- Records of amounts contributed by District vendors to Ivy League Connection (ILC) were obtained from the ILC's fiscal Sponsor, the West Contra Costa Public Education Fund (Ed Fund).
- Records of amounts contributed by District vendors to the Ed Fund were obtained from the Ed Fund.
- Records of amounts contributed by District vendors to For the Children of West County and to individual campaigns of District Board members were obtained from the Contra Costa County "CampaignDocs Web Public Access."
- Records of gifts provided by District vendors to District employees or District Board members and reported in Form 700 (Statement of Economic Interest) by the recipient were obtained from the West Contra Costa County Clerk.
- District vendors' records for amounts contributed by District Vendors to ILC, Ed Fund, For the Children of West County, and other individual campaigns were obtained from some District vendors.
- Other appropriate financial records and documents from vendors, such as project cost reports, invoices, and lists of vendor staff assigned to the District's Bond Program projects.

### **Computer Forensics**

The investigative plan approved by the District Board included computer forensic procedures that allowed VLS to obtain electronic information (emails, electronically created files, etc.). On 3/23/2016, VLS's computer forensics expert traveled to the District's Information Technology Center (ITC) and obtained the server emails and "home folders" for certain current and former SGI employees and subcontractors. During a separate visit on 4/26/2016, VLS's computer forensics expert obtained server emails and "home folders" for certain District current and former employees and a Board member. VLS's computer forensics expert used AccessData Forensic Toolkit to index the electronic information obtained. The indexing allowed for keyword searching and other analysis to take place. The results of the keyword searches were reviewed by VLS to identify information and evidence relevant to this investigation.

### **Fraud Hot Line**

VLS provided to legal counsel of the Subcommittee for the Clay Investigation a fraud hotline phone number and website link for the District to publish so that individuals with relevant information or knowledge regarding fraud, waste, or abuse within the District's bond program

had a means to contact VLS directly. VLS also provided recommended language for the District to include with any publications of the hotline phone number and website link. Legal counsel then provided this information to the District. This hotline phone number was posted on the website for the Subcommittee for the Clay Investigation. VLS received, cataloged, and analyzed all information received through the website link and through the fraud hotline phone number.

### **Status Reports**

VLS provided status reports to legal counsel of the Subcommittee for the Clay Investigation regarding Phase II progress. The status reports included the following information:

- **Phase II Activities Completed or In Process:** This section conveyed information related to meetings held, interviews conducted for TC and FI areas, computer forensics updates, and status of document requests made to either the District or third parties, such as District Vendors.
- **Phase II Next Steps:** This section included information related to the following month's work plan.
- **Project Obstacles:** This section included information related to any obstacles presented to VLS in obtaining documents requested from the District, District vendors, or other third parties. This section also included information related to difficulties in securing interviews with District vendors.
- **Summary of Hours and Costs Incurred:** This section reported the budgeted hours and costs by area (TC and FI) compared to the actual hours and costs incurred by VLS for the period covered by the status report.

The dates of these status reports were the following:

- 3/14/2016 for the period covering February 9 through March 11
- 4/14/2016 for the period covering March 12 through April 10
- 5/13/2016 for the period covering April 11 through May 10
- 6/15/2016 for the period covering May 11 through June 10

After 6/15/2016, status updates were provided to legal counsel via phone conference calls. This medium was used to communicate status updates as, after the month of June, the majority of the fieldwork and interviews had been completed, and VLS focused on concluding the test of controls assessments and forensic accounting investigation testing.

During the course of VLS's work in Phase II, VLS communicated directly with legal counsel as appropriate.

**Dates of Meetings with the Subcommittee for the Clay Investigation**

During the course of Phase II, VLS attended a meeting with the Subcommittee for the Clay Investigation on 5/23/2016.

**Hours & Costs Incurred for Phase II**

As articulated in the engagement letter, the total cost of this engagement is \$725,224. VLS did not request any increases to this original contract amount.