

## **A Shame, a Sadness, and a Time to Move On**

Late last month, after more than a year of investigation and well over \$1.5 Million, the WCCUSD Board of Trustees released the Forensic Audit of the Bond Program. It alleged poor personnel management, sloppy accounting controls, and erratic adherence to authorization protocols. And though it steps you through the play-by-play on every change order in the multi-billion-dollar bond program, you must remember to apply critical thinking.

The audit was restricted in the sense that the auditors did not have the legal authority to interview material witnesses associated with the District's Bond program to share their documentation. The almost 1,500 pages provides selective detail about every suspicion and concern about the 20-year-old program, and how it operated. There are many comments and impressions recorded, but nearly all of them – and especially the most damning -- are unattributed and unverified. And most importantly, it is only the suspicions that are documented in detail. The report neglects to interview the targets of the complaints to find out if the accusations leave out important facts and considerations. They were never even asked to discuss the accusations that have been leveled against them.

We conclude that this report is unnecessarily prejudiced and incomplete.

The bond program merits oversight, especially since some members of the state-mandated Citizens' Bond Oversight Committee (CBOC) have been frustrated for years with WCCUSD's reporting. But the question is, will the \$1.5 Million report and the multi-year degradation of the district be enough for the critics to stop the hysteria about the past and move forward? Any close observer knows this investigation spun out of control, and no one had the courage or respect to stop it.

Here's the plain talk: the sprawling and expensive Forensic Audit was pushed by a collaboration between the Contra Costa Taxpayers Association and a group of ideologues and multi-millionaires who would like to hand the district to corporate charter school operators, to transfer public property to private hands, and to secure a taxpayer-funded revenue stream for the privatizers.

The Forensic Audit is full of selective facts, but leaves out critical context. It was, and will continue to be, political hay to keep a cloud over the district that has now shut down the bond program, and to sow constant doubt and insecurity about the District's ability to have success in any realm. In this way, it is a dishonest and petty document.

### Wasted Money

Forensic audits never have the authority to find criminal wrongdoing. They *do* have the ability to suggest changes and best practices that would lower an organization's risk of corruption and fraud. The audit provided dozens of these, and in its response, the District's administration has agreed to implement all of them without review and analysis of the impact of each one.

Ironically, the routine annual performance audits the District completed in 2014 and 2015 found the same issues and cost less than a tenth of the Forensic Audit pushed by the 2016 Board. But evidently, the recommendations coming out of that were never implemented.

In January, 2016, the WCCUSD Board had an opportunity to be frugal and circumspect; they could have deliberately mapped the initial risks identified by the Phase I Forensic Audit to the previous performance audits and demand that the Superintendent implement those already-identified reforms. The Board had every opportunity to spend General Fund money wisely. But instead, they were swept up in the politically motivated hysteria around claims of fraud and abuse. They could have skipped Phase II, which cost more than \$1M from the same fund that is there to pay teacher salaries and programs for kids, and gone straight to convening the implementation task force.

### Bond Program in the Crosshairs

The WCCUSD Board of Trustees from 2001-2015, was democratically elected. It had a bold vision to replace or modernize every decrepit school building in the District. The small group of people pushing for Phase II of the Forensic Audit disagreed with that vision. But instead of getting elected for school board to promote their point of view, they sought instead to stop the program by undermining all trust in how it was run, and now are attempting to erase the memory of all that it accomplished. It is a cowardly and undemocratic response. It is no surprise that some of the most vocal promoters of the Forensic Audit are also dedicated to privatization of public education.

WCCUSD isn't a rich district like San Ramon Valley, or Lafayette. In 2015, WCCUSD had more than 70% of its children qualify for free and reduced lunch. It isn't a small district either, like Piedmont, or next door Albany, with its five schools and one city council. It's a sprawling, enormous district with 5 cities, large unincorporated areas, 30+ elected politicians, and a multinational corporation. This is what made the vision so remarkable.

Take a look at the evidence. More than 40 schools out of 55 were modernized or replaced in the course of 15 years. Four schools in Hercules, 21 in Richmond, five in Pinole, four in El Cerrito, four in San Pablo, one in El Sobrante, and the list goes on. (See the attached list.) More than 70 percent of the buildings in which children learn are new or modernized within the past 15 years. It is a huge accomplishment. The millennial Boards and the people who elected them felt it was the right investment. The Taxpayers' Association and the wealthy opportunists did not. But that is where democracy comes in. We as a community voted year after year, and passed 6 bond measures to put our collective resources into our children's futures. A tiny group of discontents couldn't sway the votes, so they found another way to torpedo it.

### The Balance Sheet

The Forensic Audit got to the bottom of a hundred different things. It shows maddening incompetence, but also raw politics. However, after years of conspiracy theories and defamatory rhetoric during public comment, the only thing that has any sniff of fraud or deception is the approximate \$100,000 of vacation and sick leave that the third-party program manager, SGI, billed between 2009 and 2012. In a multi-billion-dollar bond program, that is very small. Even so, it is difficult to understand why the firm being paid to perform the audit never even talked to the principals in the Chief Business Office, which is the District accounting department that oversees the funds spent on the bond program.

Meanwhile, the Measure T campaign – the straight renewal of a local funding for our school libraries, guidance counselors, and sports, is in shambles because the WCCUSD Board has been distracted by this fishing expedition. Like the Bond Program, this community since 2004 has affirmed their desire to provide this critical funding for our kids. The Forensic Audit did not examine the parcel tax. By law, the parcel tax funds are independently audited each year, and it has its own citizen committee reviewing its expenditures. This is all moot to the shrill proponents of the Forensic Audit. They trumpet its prejudiced and incomplete insinuations across social media and in the traditional media, tarring WCCUSD everywhere with a label of fraud, and withering the chances that Measure T will pass.

Likewise, the independent and successful Ivy League Connection program, which over the past 6 years has enabled more than 300 West Contra Costa students to attend summer programs at Ivy League schools, many of whom then attended and graduated from those schools, has also been dealt a body blow by the Forensic Audit. Again, opponents of the Bond Program provided more unattributed accusations that dragged the program into the scope of the Audit, and have tarred its dozens of donors with illicit motives.

Five agencies – all with the subpoena power that the Audit firm lacks -- have had all of this information since February 2014. The U.S. Department of Justice, the SEC, the IRS, the Contra Costa County District Attorney, and the State Attorney General, have not pursued criminal investigations based on any of this information. When these agencies pursue a complaint, they do what the Forensic Audit did not do – they give voice to those accused so that they can provide context and additional facts that provide the whole story.

And how did those agencies get the information? From the same proponents of the Forensic Audit. Despite no actions, the critics of the Bond Program decided to beat a dead horse at the expense of our kids. You would expect the WCCUSD Board of Trustees to exercise their fiduciary obligation to protect the budget for educational services and facilities.

### Looking Forward

It is time to turn the page on this destructive and overblown culture of investigation and blame. It is time to refocus on student achievement, and to get back to making sure that all of our children are learning in safe, 21<sup>st</sup>-century structures.

The Board could have spent far less of our children's money to identify incompetence and implement best practices. They could have instead demanded that the administration implement the recommendations from the annual performance audits of 2014 and 2015 without spending additional money for the Forensic Audit. They could have been careful stewards of the money that should go to pay teachers and implement *educational* programs. And if they had, the implementation could have been nearly complete by now.

Our children need our Board's attention. They need the Board to stop spending money intended for them on politically motivated sideshows. They need to stop being whipped around by privatization ideologues and instead put the interests of our students first.

Parents, teachers, taxpayers, leaders, and voters throughout WCCUSD must take time to think critically about the needs of the District and the Forensic Audit. We have to sort the petty from the important, and move forward. There are valuable recommendations within its 1,000+ pages, but it has come at an irresponsible and destructive price.

A coalition of concerned parents and WCCUSD community members:

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**WCCUSD Bond Program - Inventory of Schools**

	School Name	City	New School	Modernized +	Modernized	Unimproved	Level	Comments
1	Korematsu Middle	El Cerrito	New School				Middle	subsidized by nearly 30% (\$13M ) with matching State seismic funds
2	El Cerrito High	El Cerrito	New School				High	Includes full new soccer + track and field facility (\$4M from State modernization)
3	Ohlone ES	Hercules	New School				Elementary	
4	Hanna Ranch ES	Hercules	New School				Elementary	State paid for reconstruction (sm amt for play structures pd by Bond prog)
5	Hercules Middle High	Hercules	New School				Middle	State paid for reconstruction (sm amt for minor upgrades pd by Bond prog)
6	Lupine Hills ES	Hercules	New School				Elementary	
7	Pinole Valley High	Pinole	New School				High	Construction ongoing
8	Pinole Middle High	Pinole	New School				Middle	Includes full new track and field facility
9	DeAnza High	Pinole	New School				High	
10	Coronado ES	Richmond	New School				Elementary	
11	Downer ES	Richmond	New School				Elementary	
12	Ford ES	Richmond	New School				Elementary	
13	King ES	Richmond	New School				Elementary	
14	Nystrom ES	Richmond	New School				Elementary	
15	Greenwood Alternative HS	Richmond	New School				High	
16	Leadership High	Richmond	New School				High	Charter
17	DeJean Middle	Richmond	New School				Middle	
18	Chavez ES	Richmond	New School				Elementary	State paid for reconstruction (sm amt for new siding + painting pd by Bond prog)
19	Vista Hills ES	Richmond	New School				Elementary	
20	Helms Middle	San Pablo	New School				Middle	Includes full new track and field facility
21	Dover ES	San Pablo	New School				Elementary	
22	Harding ES	El Cerrito		Modernized+			Elementary	
23	Madera ES	El Cerrito		Modernized+			Elementary	
24	Crespi Middle	El Sobrante		Modernized+			Middle	All Paid by Insurance comp b/c Fire caused need for replacement
25	Kensington ES	Kensington		Modernized+			Elementary	
26	Ellerhorst ES	Pinole		Modernized+			Elementary	
27	Stewart K-8	Pinole		Modernized+			K-8	
28	Washington ES	Richmond		Modernized+			Elementary	
29	Lincoln ES	Richmond		Modernized+			Elementary	
30	Montalvin ES	Richmond		Modernized+			Elementary	
31	Murphy ES	Richmond		Modernized+			Elementary	
32	Sheldon ES	Richmond		Modernized+			Elementary	
33	Peres ES	Richmond		Modernized+			Elementary	
34	Bayview ES	San Pablo		Modernized+			Elementary	
35	Riverside ES	San Pablo		Modernized+			Elementary	
36	Tara Hills ES	Unincorp		Modernized+			Elementary	
37	Verde ES	Unincorp		Modernized+			Elementary	
38	Portola Middle	El Cerrito			Demolished & Cleared		n/a	
39	Sea View ES	Unincorp			Demolished & Cleared		n/a	
40	Richmond High	Richmond			Modernized		High	Gating and fencing, + new track and field
41	Richmond College Prep ES	Richmond			Modernized		Elementary	Charter
42	Kennedy High School	Richmond			Modernized		High	Includes swim center, + track and field facility
43	Mira Vista K-8	Unincorp			Modernized		K-8	
44	Valley View ES	Richmond			Temp Campus		Elementary	Moved in 2016 to portables, waiting for demo
45	Portable Campus	El Cerrito			Temp Campus as needed		any	
46	Fairmont ES	El Cerrito				unimproved	Elementary	

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	School Name	City	New School	Modernized +	Modernized	Unimproved	Level	Comments
47	Cameron Special Needs	El Cerrito				unimproved	n/a	
48	Collins ES	Pinole				unimproved	Elementary	
49	Shannon ES	Pinole				unimproved	Elementary	
50	Highland ES	Richmond				unimproved	Elementary	
51	Grant ES	Richmond				unimproved	Elementary	
52	Olinda ES	Richmond				unimproved	Elementary	
53	Stege ES	Richmond				unimproved	Elementary	
54	Wilson ES	Richmond				unimproved	Elementary	
55	Lake ES	San Pablo				unimproved	Elementary	
"Modernized+" means all portables replaced with new constructor								