

**From:** [Cha, SeungJa](#)  
**To:** [Facilities](#)  
**Subject:** Public Comment on Forensic Accounting Investigation Final Report  
**Date:** Thursday, October 20, 2016 11:17:57 AM  
**Attachments:** [Section IV - B - FI 2.pdf](#)  
[Section IV - B - FI 2 FINAL.pdf](#)  
[06.30.16 GL YTD Budget Report.pdf](#)  
[06.30.16 PL Project Budget Report.pdf](#)

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I started working in the bond department effective July 1, 2015. The '15-16 Original budget' was already in Munis, our financial system. This original budget was entered in the General Ledger. Our school district has been using the subsidiary ledger which is Project Ledger for expenses for the Building Fund, Fund 21. The previous Principal Accountant at the Bond Department entered the original budget in the Project Ledger, but the amounts were not consistent with the General Ledger. I reconciled the General Ledger and the Project Ledger and found the inconsistencies. I fixed the inconsistencies in the Project Ledger so that it would match the General Ledger. However, the Project Analyst at the time, Dennis Clay, was generating SSRS (SQL Server Reporting Services) reports instead of using the Munis standard report. The SSRS report used the Building Fund expense amounts only if the amounts in both the General and Project ledgers were linked. If the amounts were not linked, his report didn't recognize the amounts which caused the report to be out of balance. This was the reason he had to continuously modify his reports for the meetings, specifically the CBOC meeting. I discussed the issue with Dennis Clay, and let him know that I was going to re-enter the original budget into the ledgers so that the two ledgers would be linked, so he would no longer need to modify his reports. This course of action was approved by the Executive Director, Mark Bonnett. This was completed on March 8, 2016. No dollar amounts were changed. This was not done in order to correct the budget, but was done for the purpose of the reports for the meetings. If the Munis standard reports had been used instead of the SSRS reports, I would not have had to re-enter the budget.

On Wednesday morning, September 14, 2016, the Executive Director, Mark Bonnett called and asked me for this budget re-entry. He went to our district website under Forensic Audit, Section IV – Forensic Accounting Investigation, FI (2) – Budgeting Practices. See pages 8 and 9 on the first attachment: [Section IV – B – FI2.pdf](#). The forensic auditor had picked my re-entry of the budget and put it under accounting investigation. When the auditor picked an entry, he/she would ask about the entry to either the Executive Director or the Principal Accountant. If anyone had asked me about my re-entry of the budget, I could have explained what had happened. If my re-entry was only published as a question from the auditor, this situation would have been fine, but my re-entry was put under investigation without any questions. The Executive Director, Mark Bonnett, talked to the forensic auditor about this issue, and the forensic auditor apologized and said she would exclude the findings from this investigation. The findings were still published under our website without my notification. Although the draft did not include those findings, people will infer that I made a \$34 million error.

The final forensic accounting investigation report was released on our district website shortly after the draft. When I checked the same section, 'Forensic Audit, Section IV – Forensic Accounting Investigation, FI (2) – Budgeting Practices', the only revision of the findings was in the notes. See the page 8 on the conclusion of this entry at number 4 at the second attachment: [Section IV – B – FI 2 FINAL.pdf](#). It says, 'Although the entries did not affect the budgeted amounts by object code in the Original Budget of the Interim Reports, there was an eight-month delay in the posting of the journal entries'.

First of all, the Munis Project Ledger is the subsidiary ledger. It can function by itself with or without being linked with the General Ledger. Even if I didn't make this re-entry, there were

still no problems in either ledgers. This re-entry was made solely to help the CBOC meeting. We have a good Munis standard budget report. The third attachment is the example of the General Ledger budget report. The fourth attachment is the example of the Project Ledger budget report. Even if these General Ledger and Project Ledger accounts are not linked, the standard budget reports should remain the same.

If it was too late to make this budget re-entry, I would not have done it. I thought it would be beneficial for the meeting to use the SSRS report that the Project Analyst created. I didn't think this budget re-entry would cause any trouble for me.

On August 16, 2016, I entered two years' worth of budget entries in the Project Ledger only (not yet linked with the General Ledger) for the fiscal years of 2017-18 and 2018-19. These budgets were approved by the board. These budgets in the Project Ledger will be reversed and re-entered with both ledger accounts linked when the new budget is adopted. The 2017-18 budget will be adopted at the end of June 2017 and 2018-19 budget will be adopted at the end of June 2018. If these future re-entries will also be considered errors based on forensic audits, we should not re-enter them and the Munis standard reports must be used for the CBOC meeting instead of the SSRS reports we are currently using.

This personally affects my career. I wanted the forensic auditor to revise the note on the report of Section IV – B – FI 2 FINAL indicating that they misunderstood the situation and published the final report before properly investigating the situation. I want people to understand that there was no error made. Since both the DRAFT and FINAL forensic audit reports were published, people would remember that SeungJa made a \$34 million error and could potentially spread this misinformation to tarnish my clean record. This will significantly affect my career and future employers may consider this as a reason that I cannot be trusted with vital responsibilities.

Thank you for your concerns,

**SeungJa Cha**

Coordinator, Business Services

West Contra Costa Unified School District

1400 Marina Way South

Richmond, CA 94804

Phone: 510-231-1100 x 23308

Email: [scha@wccusd.net](mailto:scha@wccusd.net)