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Court reverses decision on Fresno Unified's controversial contract to build Gaston school

June 2, 2015 | By Hannah Furfaro | www.FresnoBee.com

Highlights:

- 5th District Court of Appeal reversed a Fresno County Superior Court ruling on a case involving Fresno Unified and Harris Construction
- The court says a lease-leaseback deal between the district and company didn't follow the intent of state law
- The decision also raises questions about whether the head of Harris Construction had a conflict of interest

EXCERPT: ... A Fresno County Superior Court decision involving two of the city's biggest-name public and private players - Fresno Unified School District and Harris Construction Co. - has been reversed, calling into question a controversial construction deal the district made for Rutherford B. Gaston Middle School. ...The appellate court doesn't tackle the conflict-of-interest question. But the court does say Davis has grounds to press the issue in Fresno County Superior Court.

The court also makes it clear that corporate consultants like Spencer, not just elected officials and government employees, are subject to state conflict-of-interest laws.

"What I was most impressed with in this appellate court opinion was the level of analysis and detail this appellate court went to," said Kevin Carlin, Davis' attorney. "This is a significant public interest issue and I think it's a big win for taxpayers because it clarifies integrity in the process." Carlin said he and Davis are weighing whether they'll request a new case in Fresno County Superior Court. Davis did not return phone messages from The Bee. ...

To read the complete article please visit:

<http://www.fresnobee.com/news/local/education/article22956666.html>

Link to court opinion:

<http://www.courts.ca.gov/opinions/documents/F068477.PDF>

Could Waste and Fraud be Happening in Your School District?

May 22, 2015 | By Theresa Harrington | www.contracostatimes.com

EXCERPT: ... We have all heard horror stories about fraud, waste and abuse in government agencies. But most people are hesitant to believe that such malfeasance is going on in their own communities, according to a well-respected certified fraud examiner who gave a keynote presentation earlier this week at the fourth annual California League of Bond Oversight Committees conference in Sacramento.

Don Mullinax, a former Inspector General of the Los Angeles Unified School District, told the citizen watchdogs from around the state that average fraud schemes last about 18 months before being detected. "But, I've seen them take nine years or more," he said. "Think fraud to find fraud." The best way to avoid or detect fraud is to ask a lot of questions and don't believe everything people tell you, he said. "I'm not saying everyone's a liar, a cheater and a thief," he said. "But, if you go into some sort of oversight and you don't have skepticism, you're going to get burned." ...

He also outlined several "warning signs" for fraud. As a general rule, these are "a set of circumstances that are unusual in nature or vary from normal activity," he said. Problems arise when these warning signs are ignored or not adequately investigated.

... Such warning signs may include: a single vendor receiving a majority of contracts, refusal to produce records and files, significant lifestyle change of people involved in bond program, refusal to take vacations (for fear someone else will look at the books), turning down promotions or transfers, no exceptions or errors (reports are "too clean"), lack of separation of duties (minimal checks and balances), successful bidders subcontracting to losing bidders, winning bidder always bids last, losing bidder cannot be located in business directories, numerous or large dollar change orders, and invoices without addresses and phone numbers for vendors, and costs billed are not consistent with progress of construction.

"Change orders are a big deal," he said. "Contractors will bid low, then add change orders sometimes the day after they get the contracts." ...

But the buck stops, he said, with district leaders.

"It all comes back to the ethics and integrity of people in charge," he said. "Trust is not a control." ...

To read the complete article please visit:

http://www.contracostatimes.com/news/ci_28174397/could-waste-and-fraud-be-happening-in-your-school-district

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