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September 27, 2016

ISSUE 102



West Contra Costa District Forensic Audit Report on \$1.6 Billion Bond Program

Sept. 22, 2016 | By Rick Radin | www.eastbaytimes.com

EXCERPT: RICHMOND -- West Contra Costa schools trustees formally accepted the results of a forensic audit of the district's \$1.6 billion bond program Wednesday evening and agreed to form a task force charged with carrying out its recommendations for reform.

The school board also agreed in closed session to turn over the results of the audit to "law enforcement," without specifying what agencies it was referring to. Ernie Cooper of the auditing firm Vicenti Lloyd & Stutzman LLP said an investigation by law enforcement agencies will be required if the district wants to uncover any mismanagement or wrongdoing by district officials and school construction contractors because law enforcement is "not within the scope of our work."

"It was not our charge to uncover fraud and conspiracy or go out and find if there was a kickback," he said. "Why don't you ask the responsible agencies to take a look at this report?"

Bond program critics Ben Steinberg and Ivette Ricco, a member of the subcommittee that chose VLS and oversaw the audit, encouraged trustees to pursue an investigation of possible kickbacks and overcharges for services, especially from SGI, the construction management firm that managed many of the district's construction projects.

According to the audit report, SGI declined to cooperate with a number of requests for information and thus limited the audit's scope. ...

To read the complete News Release please visit:

eastbaytimes.com/2016/09/22/west-contra-costa-school-board-accepts-audit-report

Link to WCCUSD Forensic Audit, it is broken up in downloadable sections.

www.wccusd.net/audit

The document is available in its entirety and is also broken up into more easily downloadable segments.

TC = Test Controls, FI = Forensic Investigation

Capitol Alert: Statewide School Bond Stymied in Legislature, Backers Go Their Own Way

September 6, 2016 | By Jim Miller | www.sacbee.com

EXCERPT: ... Home builders, school construction companies and others, bypassing the Capitol, spent millions to gather signatures to qualify a \$9 billion school bond for the ballot. Eleventh-hour Capitol negotiations to craft a smaller substitute bond in June went nowhere, securing Proposition 51's fall placement. ...

The worklons secured by Proposition 51 would be allocated under a framework nearly 20 years old, when California school enrollment was increasing and local school bonds needed to pass by a two-thirds vote, instead of the current 55 percent.

The Brown administration has been among the biggest skeptics of more school borrowing, slamming the current program as expensive, inefficient and one that should be retooled to help only the neediest districts.

H.D. Palmer, a spokesman for Brown's Department of Finance, said Proposition 51 "perpetuates the status quo" while saddling the state with an additional \$500 million a year in general fund debt service, on top of more than \$2 billion in debt service from earlier school borrowing. ...

But in his January budget proposal, Brown scolded the program as allocating money on a "first-come, first-served basis, giving districts with dedicated facilities personnel a substantial advantage." ...

Real estate and development companies have contributed at least one-half of the money raised by the Proposition 51 campaign, state filings show, with construction companies and other building-related donors also giving heavily. The industry's involvement has been singled out by Brown, who derided it as "the developers' \$9 billion bond" earlier this year. ...

To read complete article please visit:

www.sacbee.com/news/politics-government/capitol-alert/article99804172.html

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Los Angeles Civil Grand Jury Report: "Capital Appreciation School Bond Debt: Consequences of Poor Financial Practices" Final Report 2015-2016 . PDF

CaLBOC: CBOC Operation Guidelines
Provides a basis for the BOC to perform a self-assessment of their operations and identify training needs. Could use as outline to develop a training program for committee members. PDF

Mission Statement

To promote school district accountability by improving the training and resources available to California's Proposition 39 School Bond Oversight Committees and educating the state legislature, local school boards and the public about the oversight and reporting powers these Citizens' Bond Oversight Committees (CBOCs) have, and to advocate on a state level, where appropriate, on issues of common concern to all CBOCs.

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