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Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

October 22, 2010

[REDACTED]
Parent Advocates for Students in School
[REDACTED]

Columbus, Ohio [REDACTED]

Dear [REDACTED]

We are in receipt of your email sent on October 20, 2010, to the Members of the Columbus Board of Education again alleging misconduct in the operation of the Columbus City School Supplemental Educational Services (SES) Program.

You should be aware that District staff has devoted literally hundreds of hours to responding to your multiple claims of fraud and abuse and requests for records concerning the SES Program. My predecessor and I have carefully reviewed those allegations and found them to be unsubstantiated. Such is the case with the latest charges of purported misconduct. Below are responses to the allegations included in your email of October 20, 2010.

1. There is no evidence to support your allegation that the June 2, 2009, Board agenda was altered. Your assertion appears to be based on a misunderstanding of two documents, one of which is the Official Board agenda for that date and the other which is an internal document generated after the official board approval and used by our internal staff. The first document, which is entitled Authorization to Approve District Purchasing from Identified Vendors, consists of two pages numbered 214 and 215 on the Board agenda. The first page of that record names six identified providers for approval for Fiscal Year (FY) 2009 (none of which were SES providers) and the second page lists a number of other identified providers to be approved for FY 2010. That legislation was approved as part of the consent agenda by the Board, as is reflected on pages 214 and 215 of the official minutes of that Board meeting prepared by the Treasurer. It is a record on which I relied on in my review of your allegations concerning the SES program.


The second document generated after Board approval, appears similar, but not identical to, pages 214 and 215 of the June 2, 2009, Board agenda and minutes. It has the same title and includes the names of identified vendors approved by the Board for FY 2010. The difference is that it does not list vendors approved for FY 2009. The reason is that this document is not part of the Board's agenda but, rather list of vendors approved by the Board for FY 2010

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maintained by the Treasurer's Office and placed on the intranet for reference by our Purchasing Department and other District departments and schools. Since the sole purpose of that document was to identify vendors authorized for FY 2010, it follows that there would have been no reason for it to include vendors authorized for FY 2009.

Simply put, the first document is as it purports to be, the agenda of the Board of Education meeting for June 2, 2009. The second document is not. There was no "alteration" of the agenda and no reason to believe that fraud or a criminal act has occurred

 2. You ask "why would the Board approve payments to the providers before parents have an opportunity to select them?" The Board does not approve payments to providers. Moreover, neither the Board nor the District selected the SES service providers, parents did. The Board authorized the District to purchase from identified vendors currently providing services if they were approved by Ohio Department of Education, selected by parents and continued to provide tutoring services. I see no evidence of a violation of any federal or state law or fraudulent activity.

3. Your email states that "[a]ccording to the Treasurer's handbook, those requisitions [for fiscal years 2008, 2009, 2010 and 2011] should have had Board approval dates on them." This is incorrect. The Treasurer's Handbook requires that a Board approval date be entered only on requisitions for vendors who must be preapproved by the Board, i.e. those who will receive payment in excess of \$25,000. More significantly, non-compliance with this internal procedural step would not be evidence that a vendor was paid for services not rendered or constitute either fraud or a violation of state or federal law.

4. You then state, "[u]nless you are going to allow your designees and/or the District's staff to also get away with altering the requisitions and purchase orders they have already provided us copies of, the questions are why didn't the requisitions and purchase orders for SES provider payments for fiscal years 2008, 2010 and 2011 have Board approval dates in their descriptions as required according to the Treasurer's Handbook and why did the Treasurer disburse checks to the SES providers without it. There is no evidence that any documents have been altered. The Treasurer's Handbook requires that a Board approval date be entered only on requisitions for vendors who must be preapproved by the Board, i.e. those who will receive payment in excess of \$25,000. More significantly, non-compliance with this internal procedural step would not be evidence that a vendor was paid for services not rendered or constitute either fraud or a violation of state or federal law.

5. You allege that the "[t]he question is why would the SES Director be the only signature needed for a purchase order of \$6,400,000 from which provider payments were made amounting to almost \$5,000,000?" The purchase orders are signed by Jill Dannemiller, who is the Grant Administrator for the SES Program. This is compliant with law and District procedures.

6. Your email suggests impropriety by "SES providers signing as consultants on the Claim for Payment of Consultant Services. The questions are why is the SES Office using this form to document the tutoring services of SES providers and why did the Treasurer's Office write checks upon receiving this type of form when their handbook clearly states this form is used for other purposes?" Your description of the Treasurer's manual is inaccurate. Appendix 4 of the Treasurer's manual provides: "13. Have the vendor complete a Claim for Payment for Consultant Services. This is not required, but may be used in lieu of the consultant's invoice."

The use of such a form would neither be inconsistent with the Treasurer's manual nor amount to a criminal or fraudulent act.

7. Finally, you ask "[h]ow do the Board members account for the Board not approving the requisitions and purchase orders?" The Board of Education authorizes the SES expenditures through its Purchasing Policy and approval of indentified vendors. The specific purchase order is not required to be approved by the Board of Education, but is issued by the Treasurer as required by Ohio Revised Code Section 5705.41. Likewise, Ohio law does not require the Board to approve a requisition.

I agree that any suspected criminal or fraudulent activity should be reported to the appropriate law enforcement agency. However, even after the District has expended hundreds of hours of staff time in investigating your many allegations and providing you with access to tens of thousands of pages of records concerning the SES program, we have neither been presented with nor uncovered any evidence of fraud, waste, abuse or criminal behavior. In light of this, I do not believe that it would be responsible or appropriate for me to expend additional District resources or staffs time to pursue the claims you have made concerning the SES Program to date. I recommend that you take your concerns to those agencies authorized to investigate them – the Franklin County Prosecutor, the Auditor of State, the Ohio Department of Education, and the Ohio Ethics Commission.

Nothing in this letter is meant to suggest that the Office of Internal Audit will not, on behalf of the Board of Education, investigate any new, well-founded charges of fraud, waste, or abuse of the District's resources.

In the meantime, the District will continue to provide you with access to public records to the extent required by law. In accordance with Board Policy 2510, those records will be made available promptly, which "take[s] take into account the volume of records requested; the proximity of the location where the records are stored; and the necessity for any legal review of the records requested." Additionally, please be mindful that individual Board members are not the custodians of District records. As set forth in Section 4 of Board Policy 2510, the General Counsel or his designee, in this case Joyce Hackett, are the persons to whom such requests should be addressed.

Thank you for your attention to this matter.

Sincerely,



Carolyn Smith, CPA
Internal Auditor

Cc: Columbus Board of Education
Dr. Gene Harris, Superintendent
Penny Rucker, Treasurer
Loren Braverman, General Counsel