



JULY 31, 2024

Make the mark.

DEKALB COUNTY SCHOOL DISTRICT

Comprehensive Financial Audit of E-SPLOST IV and
E-SPLOST V



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July 31, 2024

Dr. Devon Horton
Superintendent
DeKalb County School District
1701 Mountain Industrial Blvd
Stone Mountain, Georgia 30083

Dear Dr. Horton,

Plante Moran has performed the procedures identified within the report below in accordance with RFP 23-543 – E-SPLOST Comprehensive Audit for DeKalb County School District (the “District”). The purpose of this audit was to assess the District’s management and oversight of funds received via the E-SPLOST IV and E-SPLOST V referendums.

We were not engaged to and did not perform a financial statement audit, the objective of which would be the expression of an opinion on the District’s financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Enclosed within this report is a summary of our findings, along with recommendations for the District to improve its controls, policies, procedures, and oversight in an effort to enhance governance of future E-SPLOST programs. Our team noted four areas of failure by the District to effectively govern the management of taxpayer funds, and we have aligned our recommendations to provide the District with an opportunity to enhance procedures and management oversight to reinforce the public’s trust in the District’s management of taxpayer funds.

While we noted the issues enclosed within, we are encouraged by the District's commitment to remediation through the Miracles program. We trust the District in their remediation efforts, however, these actions should be validated and regularly monitored through routine internal audits.

We would like to thank District staff members for their support in providing documentation and clarification throughout this audit.

Sincerely,

Plante and Moran, PLLC

Results at a glance

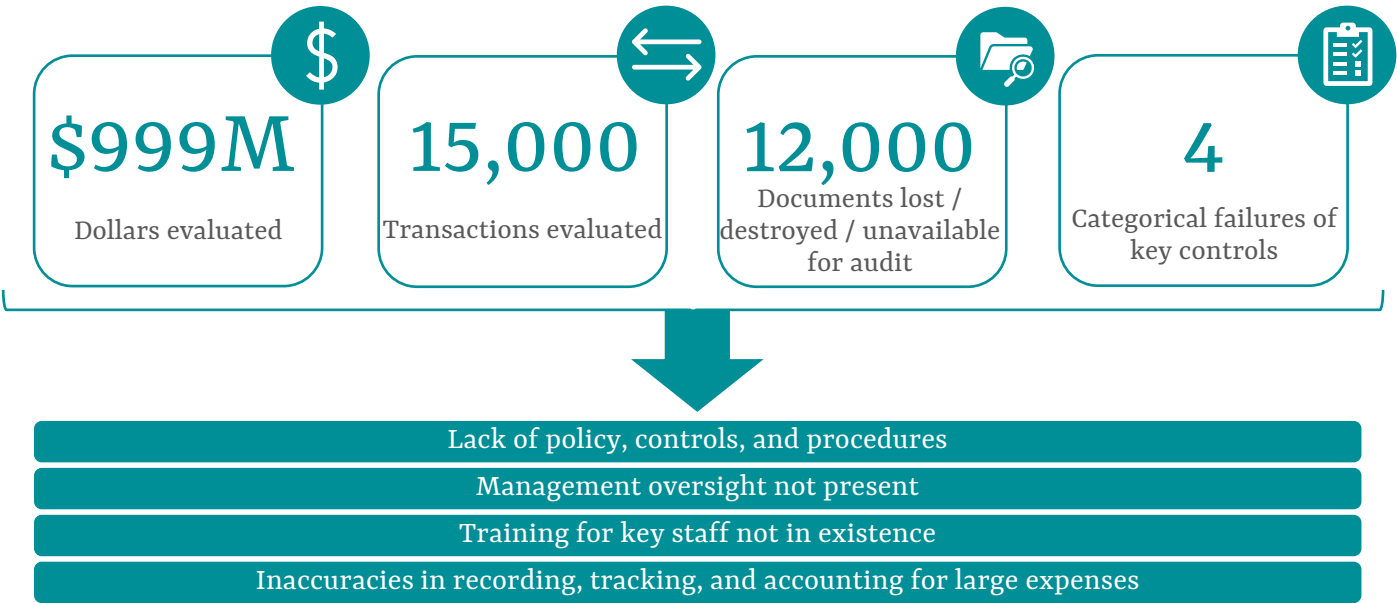


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I. Executive Summary



Background

The DeKalb County School District (the “District”) utilizes the “Education – Special Purpose Local Option Sales Tax (“E-SPLOST”))” as a source of funds for District improvements. Use of this funding includes capital projects including but not limited to new school construction, existing school renovations, upgrades to school technology, procurement of musical instruments, and others as directed by the DeKalb County School Board and its Superintendent. The funding for E-SPLOST projects comes via a one-penny consumption tax funded by all purchases within DeKalb County, GA. On November 8, 2011, residents of DeKalb County voted in favor of approving the referendum related to E-SPLOST IV for a term of 60 months. On May 24, 2016, the residents of DeKalb County voted to further extend the E-SPLOST program via E-SPLOST V for an additional term of 60 months. For purposes of E-SPLOST capital project management, a joint effort of District management and a third-party project management team contracted by the District are responsible for overseeing the selection of vendors, execution of the contracted services, and quality of the construction.

During E-SPLOST IV and E-SPLOST V, the District underwent a major technology upgrade, replacing the legacy ERP system, CrossPointe, with a cloud-based system, Munis. This upgrade resulted in a change in procedures and documentation, which impacted the processes for procuring goods, recording E-SPLOST ledger expenses, and disbursing E-SPLOST-related funds.

Through our review, we identified 4 key themes that summarize our detailed findings:

1. There was a lack of policies, procedures, and controls governing the E-SPLOST program
2. A lack of management oversight and approval over the E-SPLOST program
3. District staff did not have the proper training to effectively execute a controlled E-SPLOST program
4. Multiple errors were noted in the recording, tracking, and accounting for large expenses

Audit Scope

Plante Moran was engaged to conduct a comprehensive audit of the expenditures related to E-SPLOST-IV and E-SPLOST V. The period of our audit included:

- E-SPLOST IV: July 1, 2012 – April 25, 2023
- E-SPLOST V: July 1, 2017 – August 15, 2023

During this period, 15,600 transactions totaling \$999M were expended on E-SPLOST-related projects:

E-SPLOST Program	Count of Transactions	Total Expenses (\$)
E-SPLOST IV	8,800	\$605M
E-SPLOST V	6,800	\$393M
Total	15,600	\$999M

Summary Engagement Timeline

Q2 2023

- Engagement kick off and request for expense ledger and E-SPLOST IV and E-SPLOST V documentation sent to District
- Initial expense ledger with \$200M variance provided
- E-SPLOST V testing begins for transactions recorded in Munis to analyze what the District purchased, whether it was received, and the authorization behind it

Q3 2023

- Control walkthroughs are executed. Testing of E-SPLOST V continues. Support for transactions recorded in CrossPointe not provided by District
- Reconciliation of \$200M variance completed by PM, resulting in a completed expense ledger
- Review of vendor selection scorecards, change orders, and final inspection documents is executed

Q4 2023

- Forensic analysis begins with completed ledger and "risky" vendors identified
- Support for transactions recorded in CrossPointe not provided

Q1 2024

- District requests PM assistance in locating support for transactions recorded in CrossPointe. PM sends team to District facilities to retrieve documentation
- Identification of "risky" vendors completed.

Q2 2024

- PM completes retrieval of available documentation for entries recorded in CrossPointe. Testing of E-SPLOST V continues and testing of E-SPLOST IV begins to analyze what the District purchased, whether it was received, compliance with policy, and the authorization behind it.
- Request for extraction of all emails for employees potentially involved in use of "risky" vendors sent to District. After 4 week delay, emails are sent to PM
- PM executes review of 5M emails for indication of potential fraud

Q3 2024

- PM delivers draft executive summary of findings and recommendations
- Forensic analysis completed
- Project accounting and management analysis completed
- Final report delivery

Procedures

Our team utilized multiple methods of review to analyze the E-SPLOST IV and E-SPLOST V processes:

Inquiry: We interviewed key process owners from the District as well as major vendors to understand their roles, responsibilities, and procedures related to E-SPLOST IV and E-SPLOST V.

Inspection: Our team inspected the documentation furnished by the district supporting transactions in which E-SPLOST IV or E-SPLOST V funds were utilized to determine the legitimacy, business purpose, accuracy, and approval process for the transaction. We also inspected documentation related to change orders, vendor selection, project tracking, and close-out.

Reperformance/Recalculation: For instances where payment of a service was determined based upon the percentage of completion, our team reperformed the calculation utilized to ensure its accuracy.

Analytics: After identifying the vendors paid with E-SPLOST IV and E-SPLOST V funds (explained further in Section III – Forensic Analysis), we performed data analytical tests on disbursements to those vendors.

Background Research: We identified employees at the District, as well as AECOM contractors, deemed “key” to the E-SPLOST IV and E-SPLOST V programs. Key employees were defined as:

- Individuals involved in vendor selection, contract negotiation, and/or other procurement and approval tasks, as identified through review of supporting documentation and organizational charts; or
- Employees with E-SPLOST-related wages over \$100,000 during the scope period

We conducted background research on these individuals using a variety of tools, including Thomson Reuters CLEAR software¹, the Secretary of State Business Entity Search tools across multiple states, and internet research. When an individual appeared to own a business, we also researched that business. We compiled information regarding addresses associated with the key employees (and their businesses, if applicable).

Email Review: Leveraging information learned from our analytics, interviews, background research, and document inspection, we determined our scope for reviewing emails to include the activity of approximately 40 individuals. We extracted over 5M emails and attachments from the District’s server in relation to these ~40 individuals.

Summary of Findings

Throughout the audit process, our team noted significant findings that either deviate from the stated policy or are based upon our professional judgment and indicate a lack of control over E-SPLOST IV and E-SPLOST V funds.

Finding Category	Finding Detail
1. Policies	Lack of enforceable policy to govern District processes

¹ <https://legal.thomsonreuters.com/en/products/clearF>

2. Project Spend Tracking	Incomplete and inaccurate ledger of E-SPLOST transactions
3. Contract procurement, execution, and monitoring	Contracts were written in a manner that was not favorable to the District and resulted in the overpayment of additional soft costs and a lack of spending oversight
4. Records Retention	Documents to support the audit were not retained in accordance with District policy
5. Vendor Selection	Vendor selection teams were not appropriately split between AECOM and District personnel
6. Purchase approval	Purchases were initiated prior to approval of the purchase order
7. Expense Review	For expense items where documentation was available, significant exceptions were noted related to adherence to governing policies, rules, and regulations.
8. Internal Control	A suite of preventive and detective controls was not in place for the governance of E-SPLOST IV and E-SPLOST V funds
9. Change Orders	Original contracts of low value followed by significant change orders provide opportunity for procurement exploitation
10. Project Spending	Documentation to support a budget to actual analysis, and changes to budget was not retained
11. Final Inspection Documentation	Final inspection documentation was not retained to evidence the District reviewed the final condition and quality of work performed

II. Accounting and Project Management Findings and Recommendations



Finding #1 - Policies

Observation: The Policy and Procedures Manuals (“PPM”) were not developed to align with District processes and were not communicated to District personnel. As a result, District personnel were unfamiliar with the PPM, and there was no policy being adhered to throughout the E-SPLOST IV and E-SPLOST V programs.

Background/Details: The District engaged URS Corporation (E-SPLOST IV) and AECOM Technical Services, Inc. (E-SPLOST V) to prepare a policy manual for each E-SPLOST program. These policies, referred to as the Program Procedures Manual (“PPM”), were intended to govern E-SPLOST spending and detail the policies and procedures to ensure the E-SPLOST program adheres to legal and regulatory requirements, as well as best practice processes.

Recommendation #1

Industry best practice is that District administration maintains a version-controlled policy to govern all E-SPLOST program spend.

The District should engage a third party to develop a policy and tracking mechanism for future E-SPLOST programs that considers input from District personnel while taking into account any legal or regulatory requirements. The policy should include the following attributes:

1. Responsibilities for job roles involved in E-SPLOST programs
2. Timelines for process completion
3. Decision-making authority limits
4. Process for communication of policy requirements to District personnel
5. Monitoring procedures to ensure compliance
6. Procedures for accurate document retention
7. Oversight procedures in establishing the budget, scope, and schedule to ensure quality, timeliness, and strong economics in project management (see Recommendation #3 for further details)

Suggested timeframe for implementation: Q1 FY 2025

DCSD Response: Management agrees with the Auditor’s recommendation.

DCSD’s plan is to take advantage of existing opportunities to leverage the current documentation available (i.e., the ACERM PPM, Kahua Workflows) to fast-track the development of comprehensive and integrated Standard Operating Procedures (SOPs). District personnel intimately involved in the E-SPLOST CIP have the accumulated knowledge to compile new SOPs and will employ additional review and input from a qualified third-party qualified consultant. Further, the District intends to implement consistent, periodic review and updating of the SOPs and continual communication of and training on the SOPs as well.

Expected Implementation Completion: Q3 FY2025

Finding #2– Project Spend Tracking

Observation: The District did not maintain a complete and accurate ledger of E-SPLOST-related transactions consisting of project, expense details, vendor, date, and amount. This issue appears to have occurred because of the conversion to Munis in 2018, as well as a lack of appropriate supporting documentation for journal entries.

Background/Details: The District provided “Spend and Budget Reports” for E-SPLOST IV and E-SPLOST V separately. These reports summarize the total spent by phase (pre-construction, admin, architect, etc.) through May 8, 2023, totaling \$998M. However, the reports do not show the transaction details comprising these amounts.

When we requested the transaction details, we were provided various reports from CrossPointe and Munis, which totaled \$1.233B, a variance of over \$200M. Much of this variance was due to transactional data originally recorded in the legacy CrossPointe system being duplicated in Munis and/or imported into Munis without vendor details. These duplicates and lack of vendor detail were not easily identifiable for the purpose of tracking E-SPLOST project spend.

Additionally, during the implementation of Munis, some transactions were not coded to the appropriate GL account with a *project string*, which is the segment of a GL account number that connects the transaction to a specific project. The missing information caused Munis to inaccurately display/categorize certain expenditures in comparison to the Spend and Budget Reports. As a result, only 171 of the 261 projects listed on the initial transaction details provided to us reconciled to the Spend and Budget Reports, with a nearly \$240M unreconciled variance remaining.

Through extensive research into both CrossPointe and Munis systems’ transactional details, Munis Project Detail History reports, Munis Project Journal Inquiry reports, and review of supporting documentation, we constructed a detailed transaction ledger totaling \$999,117,563², which agreed to the Spend and Budget Reports.

After reconciling totals by project, there remained hundreds of line items missing key pieces of information needed for analysis, such as vendor paid and payment amount, as many of the transactions were recorded via manual journal entries (i.e., batches) rather than individual disbursements through accounts payable. Through additional review of journal entry documentation and inquiries to District personnel, we identified the vendors paid for nearly all 15,000+ transactions included in the detailed listing.

There are 22 line items/journal entries totaling a negative \$461,310.85, for which vendor details could not be identified. However, this amount is decreasing the total spend and, therefore, is likely the reclassification of costs between projects rather than unknown disbursements for which we have no details. Therefore, we have inherently tested the transactions/vendors related to these 22 line items.

These inconsistencies and omissions in maintaining a complete and accurate transaction listing pose significant challenges to the accurate tracking and management of E-SPLOST activities. They also resulted in significant additional time in our engagement, as, in order to comprehensively test E-SPLOST-related spending, we needed the detailed components of what was spent.

Recommendation #2

Industry best practice is to reconcile detailed subledgers to the general ledger on a monthly basis. All variances should be investigated and resolved within 30 days.

The District should craft and adhere to a policy that all sub-ledger systems must be reconciled to general ledger data monthly, with review from a member of management with the appropriate level of

² The \$841,340 difference between the \$998M in the Spend and Budget Reports and the \$999M in our detailed transaction listing is a result of the timing between obtaining the Spend and Budget Reports and later creating a detailed transaction listing. We included the additional \$841,340 of detailed transactions in our analysis.

knowledge and authority. Additionally, action plans should be developed to investigate and clear any variances within 30 days.

The District should also provide comprehensive training sessions, standard operating procedures, and ongoing support to personnel responsible for financial record-keeping duties. Employees should have the necessary knowledge and skills to effectively utilize the accounting system or software; Munis has the capability to track spending by project, which should be leveraged for future E-SPLOST projects. Training should cover topics such as data entry techniques, ledger reconciliation procedures, adequate journal-entry documentation, and error resolution protocols. The District should encourage open communication channels for employees to seek assistance or clarification on ledger-related matters.

Suggested timeframe for implementation: Q1-Q2 FY 2025

DCSD Response: Management agrees with the Auditor’s observation and recommendation.

The conversion to Munis started in 2018 and was completed in 2024. During this time frame transactions ran through both the current Munis and legacy CrossPointe systems. Now that the conversion to Munis is complete, all revenue and expenditure details and the capital project subsidiary ledger are within one system. Management will develop policies and procedures to reconcile the capital project subsidiary ledger to the general ledger on a monthly basis as well as provide training and ongoing support to personnel responsible for financial record-keeping duties.

Expected Implementation Completion: Q2 FY2025

Finding #3 – Contract Execution and Monitoring

Observation: The District’s contractual and financial processes for implementing capital improvements from procurement and planning through construction and close-out can be significantly improved from its current state. This includes procurement documentation, establishing and tracking the budget-to-actual costs from the planning phase through construction (including contingencies), and close-out activities.

Background/Details:

Contract Forms

We reviewed the construction management proposals, contracts, and Payment Applications for fifteen (15) capital projects (5 new construction and 10 renovations/additions) as part of E-SPLOST IV and E-SPLOST V. From our review of the procurement process, the District utilizes its own set of construction contracts and issues request for qualifications and proposals for individual projects in alignment with industry practices. For the new construction projects, the original contracts for pre-construction match the proposing firms’ proposed fee for pre-construction services. We found instances of executed contract forms with blank line items related to fees and costs for construction services (i.e., Construction Manager (CM) fees, staffing, general conditions, insurance, etc.).

Under normal industry, standard documents such as AIA documents, EJCDC documents, or Consensus documents, a separate document called the “General Conditions of Construction” governs the processes associated with administering the construction process and outlines the “cost of work” and change orders/contingencies. Additionally, this document is incorporated into both the Architect Engineer (“AE”) and CM/General Contractor (“GC”) contracts as a “bridging” document to ensure that the separate obligations of the AE and CM under their respective contracts align to allow for the smooth administration of the work. In the Dekalb County School District contract documents, we observed that

there is no such bridging document, which could give rise to coordination issues during construction administration.

In addition, we observed in the CM Guaranteed Maximum Price (GMP) Lump Sum contracts that the scope of work was articulated by a general reference to the drawings, project manual, and addendum. The best practice is to provide more specificity of the project documents by including the dates published and the control version and/or having the AE provide their index of drawings and specifications (with dates of final issuance) for incorporation. This will help to avoid disputes over what version of the documents formed the basis of the contract.

Payment Applications

Observed multiple instances where the architect of record did not certify the Application for Payment. The architect's certification is a critical control as an independent representation of the architect's belief that the work has progressed to the point of the requested payment and that the work is in general conformance with the contract requirements. It also allows the review of change orders and an allocation as to the cause of such (field condition, error or omission, missing bid scope, Authorities Having Jurisdiction (AHJ) requested change, unforeseen conditions, etc.)

We did not observe any sworn statements included in payment applications. While not contractually obligated, the inclusion of sworn statements is a best practice requiring the CM/GC to attest that the contractors listed are the only contractors providing labor and materials and that the breakdown of costs is accurate.

Sworn statements allow the Owner to monitor the flow of costs among the CM/GC and subcontractors, secure appropriate waivers, and identify all potential claimants, secure appropriate waivers. An industry standard, AIA G907-2022, applies to this scenario.

While lien waivers/releases were included in some payment applications, not all payment applications included these documents. Without a supporting sworn statement, it is impossible to determine if all waivers and releases were provided.

Bonding/Insurances

Bonding of the prime CM/GC is required by GA law for public contracts. A CM on a cost-plus contract often requires their subcontractors to also provide a bond protecting the CM against a subcontractor's default at the Owner's cost. The CM is already responsible for the subcontractor's performance or lack of performance; no meaningful benefit to the Owner is provided by double bonding. Observed instances of double bonding being listed in the schedule of values, but no bond information was provided to substantiate the procurement of a bond.

Instead of a subcontractor bond, some CMs attempt to secure a subcontractor default insurance ("SDI") policy or provide self-insurance. As with a subcontractor bond, SDI is a protection measure for the CM provided at the Owner's cost with no meaningful benefit being provided to the Owner. Observed instances of CMs seeking payment for SDI policies without backup, demonstrating any policy was procured.

Cost Plus Contracts

Upon reviewing the contracts and payment applications, we observed instances of large change orders ranging from \$5,000,000 up to \$22,942,000. These change orders are part of the construction management process of bidding out the individual trade contracts and assigning these to the engaged

Construction Manager. Included with the change orders are costs associated with the CM fee, staffing, general conditions, and insurance.

It is best practice to have contractual terms governing the use of the contingency (e.g., specifying a procedure for the use, the allowable uses, and a drawdown schedule for the return of unused contingency to the Owner over the duration of the Project). Did not observe adequate contingency controls within the cost-plus contracts relative to the original budget to actual costs, cause of the contingency, reallocation of unused contingency, etc.

It is best practice to maintain an Owner Contingency within an overall project budget; observed instances where the Owner Contingency was held within the CM Guaranteed Maximum Price. This is not a preferred practice given:

1. If the Owner Contingency is within the GMP, there is a lack of contingency controls, and the CM is entitled to charge a related fee
2. If outside the CM contract, Owner contingency can be used for other contracts and costs at the owner's discretion

Recommendation #3

Industry best practices are to review and update procurement processes to align with current market trends and conditions. For this recommendation, the District should conduct a comprehensive overview of its procurement of Construction Management services in alignment with its contract documents and incorporate industry "best practice" processes relative to defining the following;

- Construction Management Fees (Overhead & Profit)
- Staffing for pre-construction and construction services
- General conditions, insurance, and contingency use.

In addition, bridging documents and more specificity of the project bidding documents, including the dates published, control version, and/or having the AE provide their index of drawings and specifications (with dates of final issuance) for incorporation.

Included in the contract review process, the District should conduct a comprehensive overview of the Payment Application process to ensure that multiple departments are reviewing, receiving, and approving the applications for payment, including the application of the proper CM costs, including fees, staffing, general conditions, contingency use, allowance use, and insurances and that multiple departments received and retain these records accordingly.

Suggested timeframe for implementation: Q1-Q2 FY 2025

DCSD Response: Management agrees with both the Auditor's observation and recommendation.

DCSD will contract and leverage input from a qualified third-party qualified consultant to work with the District's Office of Legal Affairs to develop a framework within the newly developed Standard Operating Procedures (see Finding #1 response) to ensure that the District's construction management function meets the best industry standards – particularly in the consideration and approval of various elements of total project expenditures with the goal of minimizing final project cost and creating project budget savings wherever possible. The District's Office of Legal Affairs will also work with DCSD Finance to ensure that the capabilities of Munis' contract management module, which is already in use, are also deployed to those ends.

Expected Implementation Completion: Q3 FY2025

Finding #4 – Records Retention

Observation: The District did not maintain records in an organized and auditable manner. Additionally, the District failed to appropriately maintain records in accordance with the DeKalb County School District Records Retention Schedule, dated 2013.

Background/Details: E-SPLOST-related records prior to conversion to the Munis ERP system, if retained, were maintained in paper form and stored in a disaggregated fashion at several District locations. 61,454 documents were requested to complete detailed testing of the expenses. The requested documents consisted of invoices, evidence of approval, evidence of payment, and evidence of payment terms for each expense. Requests for the District to produce documentation, if fulfilled, often took 90 days or more.

To alleviate the delay in the District providing documentation for transactions not recorded in Munis, the District requested Plante Moran staff conduct physical searches of District locations for documentation. Our team expended 1,000 hours physically searching District property for documentation to complete our procedures.

Per Section 10 – “Property” of the retention schedule, records related to capital construction must be maintained for 11 years after the completion of the project. There are 11,938 documents that have been confirmed by District managers as either lost or destroyed and unable to be audited. Details regarding the documents confirmed lost or destroyed are in the table below:

E-SPLOST Program	Documentation Type	Count Confirmed Lost or Destroyed (by expense line item)
IV	Invoices	1,873
IV	Payment Approval	1,963
IV	Payment Support	2,339
IV	Purchasing Terms	4,375
V	Invoices	250
V	Payment Approval	290
V	Payment Support	23
V	Purchasing Terms	825
Total		11,938
Instances of all documentation being lost or destroyed		1,234

Through testing procedures, our team learned the District did not communicate the need to retain records to team members, as many individuals were unaware of the required retention policies. Additionally, District management did not execute a monitoring program to ensure records were retained in accordance with applicable policies.

Recommendation #4

Industry best practice is to adopt and adhere to a records retention policy that is monitored and enforced by management.

The District should develop and deploy a records retention training program for all District personnel. This training includes the following:

1. Awareness of governing policies in place from a District and regulatory standpoint
2. Instruction that multiple retention timelines may apply to a single document. In these instances, the longest of the applicable timelines applies
3. Best practices for storage contemplating security, structured folders, and searchability
4. Procedures for effective disposal

Additionally, the District should develop and execute a management monitoring program to inspect the effectiveness of the District's records retention policy on a monthly basis. Monitoring should focus on selecting key documents within each department on a rotating schedule to evaluate whether these documents have been retained or not retained in accordance with applicable policies. This will allow future audits of E-SPLOST expenditures to be executed in a timely, efficient manner and improve the District's adherence to the DeKalb County School District Records Retention Schedule.

Suggested timeframe for implementation: Q1 – Q2 FY 2025

DCSD Response: Management agrees with the Auditor's observation and recommendation.

DCSD Management has charged the Division of Information and Instructional Technology (DIIT) with developing and promulgating the District-wide Records Retention Policy that is in compliance with the Georgia Records Retention schedule which is authored and overseen by the Georgia Secretary of State. DIIT is also spearheading the effort to digitize all existing paper records that have not surpassed the retention date so that they remain accessible for auditing and litigation purposes.

Expected Implementation Completion: Retention Schedule Q2 FY2025; Digitization Q1 FY2026

Finding #5 – Vendor Selection

Observation: Selection committees to determine vendors to provide services paid for with E-SPLOST funding were not comprised of sufficient and adequate team members, as recommended by the policy. Of 328 vendor scoresheets analyzed, we noted that 68% did not have the appropriate split between DCSD personnel and third-party project management personnel.

Background/Details: The District utilized selection committees to determine vendors to provide services paid for with E-SPLOST funding. Per the PPM, the following guidelines for selection team compositions are recommended:

1. E-SPLOST IV
 - a. Two DCSD team members
 - b. Two third-party project management team members
2. E-SPLOST V
 - a. Three DCSD team members
 - b. Two third-party project management team members

In our analysis, we noted the following:

1. Overall findings:
 - a. 99% of scoresheets had four or more evaluators on the selection committee
 - b. Of the scoresheets that had four or more evaluators, 57% of the committees had the appropriate split between DCSD and AECOM members
2. E-SPLOST IV
 - a. 2 of 243 score sheets had less than 4 evaluators

- b. 104 of the 241 score sheets had more DCSD team members than third-party project management team members
3. E-SPLOST V
 - a. 48 out of 85 score sheets had less than 5 evaluators
 - b. 4 out of 85 score sheets had more third-party project management team members than DCSD team members. In all 4 instances, contracts were awarded to Evergreen Construction

Additionally, we noted the following trends:

Several vendors were selected more often than others:

1. Centennial Contractors—selected for **12.0%** of the total scoresheets analyzed
2. Gardner Spencer Smith Tench & Jarbeau—selected for **6.6%** of the total scoresheets analyzed
3. Construction Works—selected for **6.2%** of the total scoresheets analyzed

Several evaluators were commonly a part of the selection committee:

1. Director of Design and Construction, DCSD—evaluated **19.1%** of scoresheets analyzed
2. CIP Deputy Program Director, AECOM—evaluated **5.9%** of scoresheets analyzed
3. Contract Compliance Specialist, DCSD—evaluated **5.5%** of scoresheets analyzed
4. CIP Project Manager, AECOM—evaluated **5.2%** of scoresheets analyzed
5. Construction Manager, DCSD—evaluated **5.1%** of scoresheets analyzed

Our team requested the rating criteria detail of each scoresheet by each evaluator; however, these were not retained by the District in accordance with the DeKalb County School District Records Retention Schedule, dated 2013, therefore limiting our procedures able to be performed. On the final evaluation forms evaluated, the final score for the proposing vendors was recorded. The scoring rubric was not consistent throughout the E-SPLOST IV and V selection meetings. While the criteria vendors were scored on varied on the final evaluation forms, proposing vendors were typically scored on project approach, scheduling, cost, and previous experience.

Recommendation #5

Industry best practice is to ensure a fair, equitable, knowledgeable, and neutral representation of evaluators for all public bids. Additional best practices include retaining score sheets, including evaluation details for all public bids.

The District should implement a monitoring program for the Procurement Department to ensure representation on selection committees is in line with policy and best practices. This monitoring program should include an objective review prior to vendor evaluation to ensure the individuals assigned to the selection committee are in alignment with applicable policies. A component of the vendor selection process should include a certification from the Procurement Department that the selection committee was aligned with applicable policies. The District should also implement a standard scoring rubric and ensure the full evaluation scoresheets are retained for audit purposes.

Additionally, on at least a semi-annual basis, the Internal Audit Department should execute reviews of the Procurement Department's adherence to these policies by selecting a sample of vendor evaluations to validate that the selection committee representation is appropriate.

Suggested timeframe for implementation: Q2-Q3 FY 2025

DCSD Response: Management agrees with the Auditor’s observation and recommendation.

DCSD will contract and leverage input from a qualified third-party qualified consultant to assist with development and implementation of the recommended monitoring program designed to provide assurance to the Procurement Department that representation on selection committees is in line with policy and best practices. Internal Audits & Compliance is also charged with reviewing vendor evaluations to ensure compliance with the Procurement Vendor Selection policy.

Expected Implementation Completion: Q3-Q4 FY2025

Finding #6 – Purchase Approval

Observation: The District did not have a process for ensuring purchase orders were created and approved prior to the purchase being made and invoice being generated by the vendor. In instances in which a purchase order was not available for audit, District administration indicated an accounting transmittal form could be leveraged. In total, 3,677 transactions (23%) did not have a purchase order or transmittal form that documented all approvals as required by policy.

Background/Details: Through inquiry with District personnel, it was noted that in instances where a purchase order was not available, and an invoice was due to be paid, the District utilized “after the fact purchase orders,” in which the individual requesting payment of the invoice would approve the purchase of the goods after delivery and invoicing had already occurred.

Recommendation #6

Industry best practice is to employ a suite of internal controls to ensure the approval of a purchase order prior to any purchase made with District funds.

The District should ensure that the related purchase order policy and procedures are clear and enforced so that purchases are not made without a fully approved purchase order from Munis.

Suggested timeframe for implementation: Q1 FY 2025

DCSD Response: Management agrees with the Auditor’s observation and recommendation.

DCSD’s legacy ERM CrossPointe system was not capable of creating or managing “blanket” POs covering entire projects despite that it has been a standard practice in business for years. DCSD employed the use of “after the fact” purchase orders created for each individual invoice associated with a particular project. The practiced continued after the transition to Munis, although no longer necessary.

DCSD has now stopped the use of “after the fact” purchase order processing in the ESPLOST program as Munis has the capability to create and manage “blanket” purchase orders that are created for the entire budgeted cost of the project and liquidated as project invoices are approved and paid. Furthermore, the internal workflow within Munis ensures that necessary approvals are recorded before payment requests can be properly approved and verified utilizing the 3-way match, which is a best practice for final approval requirement for payment of purchases.

Expected Implementation Completion: Q1 FY2025

Finding #7 – Expense Review

Observation: Upon completion of a comprehensive review of the E-SPLOST IV and V expenses, there are significant discrepancies that raise concerns regarding the current accounting, expense tracking, and approval practices. Our testing revealed instances of errors in accounting entries that were not corrected, improper approval processes, and a lack of adequate documentation to support the expenditures.

Background/Details: Plante Moran was engaged to execute detailed testing overall E-SPLOST IV and E-SPLOST V expense transactions. Note: Our review of E-SPLOST V transactions was as of May 2023 and may not include all E-SPLOST V transactions as of the date of this report. We intended to rely upon District personnel to provide expense ledger detail from CrossPointe and Munis; however, due to the District’s inability to provide a complete and accurate ledger, our team re-constructed a ledger of E-SPLOST IV and E-SPLOST V expense detail.

Through our analysis, we identified the projects and expenses within the E-SPLOST IV and E-SPLOST V funds through May 8, 2023. For brevity purposes, the accompanying table below summarizes the projects in which less than 25% of the project expenses were testable due to documentation retainage. Additionally, the table's final row presents a cumulative count of expenses and spending for projects with over 25% of testable expenses. Note that this represents a selective overview of the audited projects and expenses. A complete list is available upon District request.

Fund	Project	Project Title	Scope of work	Count of expenses	Total amount expensed	% of expenses testable	Effective? (Y/N)
IV	000-34	Program Revenue and Bond Payments	SPLOST Support	16	\$40,286,910	0%	N
IV	137-34	Terry Mill (canceled)	SPLOST Support	1	\$270	0%	N
IV	138-34	Warren Tech (cancelled)	SPLOST Support	1	\$270	0%	N
IV	305-34	Chamblee MS – Capital Renewal: Electrical	Facility Upgrades	1	\$439	0%	N
IV	328-34	Southwest DeKalb HS – Capital Renewal: Roofing	Facility Upgrades	1	\$342,477	0%	N
IV	407-34	Clifton ES – Capital Renewal – Code Requirements: Kitchen Equipment, HVAC	Facility Upgrades	3	\$49,090	0%	N
IV	600-34	Safety/Security System Upgrades FY 2013	Safety/Security System Upgrades	3	\$1,375,471	0%	N

Fund	Project	Project Title	Scope of work	Count of expenses	Total amount expensed	% of expenses testable	Effective? (Y/N)
IV	610-34	Safety/Security system Upgrades FY 2014	Safety/Security System Upgrades	21	\$917,248	0%	N
IV	640-34	School Bus Purchase	School Buses	45	\$11,219,567	7%	N
IV	700-34	Infrastructure Refresh	Technology Equipment and Infrastructure	592	\$7,648,100	6%	N
IV	710-34	Technology Equipment	Technology Equipment and Infrastructure	1073	\$25,231,314	3%	N
IV	900-34	Chamblee HS: Replacement (COPS Repayment)	Major Projects	48	\$48,739,312	0%	N
IV	903-34	DCSD Staff	SPLOST Support	11	\$7,583,648	0%	N
V	109-35	Life Safety Set-aside	Set aside funds for other fire and life safety improvements, which could include enhancements to fire alarm systems, emergency lighting, and other life safety improvements to support our partnership with the DeKalb Fire Marshal's office	2	\$1,050	0%	N
V	531-35	Portables	Purchase new portable classrooms to replace outdated units and for enrollment increases	15	\$2,436,169	13%	N
V	603-35	DCSD Salary	Salary for District employees in support of the E-SPLOST program	534	\$4,760,928	0%	N
All other projects in E-SPLOST IV and E-SPLOST V				13,290	\$848,525,299	25%-100%	N

Audit Approach

Our team utilized the following testing steps during our review of the transactions:

Test Step	Procedure	Occurrence of Test
#1	Ensure the amount per the vendor invoice agrees with the amount recorded in the general ledger	Performed on all expenses
#2	Ensure the amount per the vendor invoice and general ledger agrees to the amount per the check paid	Performed on all expenses
#3	Ensure the vendor per the vendor invoice and recorded in the accounting system, agrees to the vendor name listed on the check	Performed on all expenses
#4	Ensure the amount recorded in the general ledger for the expense does not exceed the amount per the purchase order	Performed on all expenses
#5	Ensure there was adequate segregation of duties between the initiator of the purchase order, the approver of the purchase order, and the receiver of the purchase order	Only performed for expenses recorded in Munis due to CrossPointe not having the functionality of recording the individual responsible for initiating, approving, and receiving
#6	Ensure the expense appears reasonable relative to the applicable E-SPLOST project	Performed on all expenses
#7	Ensure the pay application contains appropriate signatures per District policy	Due to the limitations noted above regarding Test Step #5, Test Step #7 was utilized for transactions recorded in CrossPointe to ensure appropriate approval of the expense was obtained prior to payment of the invoice.

As a result of our testing, we noted the following exceptions related to the test steps above:

E-SPLOST IV

Finding	Count of Deficiencies	Total of Deficiencies
Documentation confirmed lost (invoice, purchase approval, purchase terms, and/or evidence of payment)	3,664	\$125,223,671
Expense was improperly recorded and was not corrected	13	\$132,346
Evidence of appropriate approval for the expense was not available	1,548	\$118,753,558
Unable to substantiate the use case for the expense	34	\$14,685,162
PM did not receive documentation to support appropriate testing in a timely manner	135	\$104,037,499
Total	5,394	\$362,832,236

E-SPLOST V

Finding	Count of Deficiencies	Total of Deficiencies
Documentation confirmed lost (invoice, purchase approval, purchase terms, and/or evidence of payment)	207	\$7,610,229
Expense was improperly recorded and was not corrected	18	\$512,034
Evidence of a 3-way match being performed was not available	155	\$6,616,589
Unable to substantiate the use case for the expense	9	\$8,906,277
PM did not receive documentation to support appropriate testing in a timely manner	587	\$97,693,503
The Purchase Order was created after the invoice was created and billed	2,285	\$137,452,339
Total	3,261	\$258,790,971

Recording of expenses to the general ledger was performed via manual entry. This presented an opportunity for human error during the expense entry process. A lack of management oversight and effective controls resulted in errors not being identified. During our detailed testing, we noted the following deficiencies as identified in the tables above as it relates to “Expense was improperly recorded and was not corrected”:

1. An invoice in the amount of \$1,365 was approved for payment by the District for the same services as another invoice for \$1,365; however, the invoices contained different invoice numbers. The invoice was paid to the vendor twice.
2. Five invoices with the same invoice numbers and the same services were paid to the vendor twice. The invoices paid twice total \$3,850. The invoices were processed by the District and paid twice on separate checks.
3. There were four expenditures in E-SPLOST IV and one expenditure in E-SPLOST in which there was a discrepancy in the amount invoiced from the vendor and the amount paid to the vendor. The total difference between the invoice amount and amount paid was \$25,393 for E-SPLOST IV and \$114.15 for E-SPLOST V.
4. There were two invoices totaling \$17,000 in E-SPLOST IV and fifteen invoices totaling \$493,175 in E-SPLOST V that were recorded to incorrect projects and were not corrected.
5. For E-SPLOST V, two invoices were over the approved purchase order amount resulting in \$7,782 being expensed over the approved amount.
6. In E-SPLOST IV, there was an invoice recorded and paid \$200 over the vendor invoice amount.

As part of our procedures, we reviewed the codification related to E-SPLOST funds as governed by Georgia's constitution and statutory law. Specifically, E-SPLOST funds are regulated under Article VIII, Section VI, Paragraph IV of the Georgia Constitution, which provides the legal framework for the collection and allocation of these funds for educational purposes. The Official Code of Georgia Annotated (O.C.G.A.) further details the administration of these funds through §§ 48-8-121 to 48-8-122 and §§ 48-8-

140 to 48-8-141, ensuring that the district adheres to the stipulated guidelines for capital outlay projects. Additionally, the definitions and applications of capital outlays and educational facilities are outlined in O.C.G.A. § 20-2-260(b)(3) and § 20-2-260(b)(5), respectively, with Rule 160-5-4-.04 providing further clarification on the definition capital outlays respective to public schools.

Our procedures included using professional judgement to determine if the scope and work performed falls within state guidelines, reviewing the transparency of reporting to the public, and ensuring maintenance and operations costs of the District were excluded from E-SPLOST IV and V expenditures. Due to incomplete retainage of documentation, our team could not validate the full extent of funds to ensure compliance with regulations and guidelines, as well as compliance with established District standards and practices for the capital expense program. Additionally, due to the lack of retained documentation, we could not validate the E-SPLOST IV and V expenses, excluding the District's maintenance and operations costs. Our team was able to obtain the annual reports for fiscal year 2013 through fiscal year 2023 as required per O.C.G.A. § 48-8-122. However, due to incomplete retainage of documentation, our team could not validate that the reporting within the annual reports is a complete and accurate representation of project spend.

Recommendation #7

Industry best practice is to maintain an effective process for recording expenses through consistent adherence to a defined policy and procedure and execute a strong, ongoing administrative monitoring procedure.

The District should implement a robust internal control system to prevent and detect errors in a timely manner, enhance the expense approval workflow, and communicate the record retention policy to District personnel to ensure thorough documentation for all transactions. Implementing a policy disallowing after-the-fact purchase orders will protect the District from being responsible for expenses that are not approved prior to the expense occurring.

Additionally, retraining of staff on financial policies and procedures will be crucial to prevent recurrence of such issues. The District should ensure team members are trained on how to effectively review invoices for specific services. Team members should track long-term projects for services previously invoiced and ensure services are not invoiced multiple times. These steps will not only rectify the current deficiencies but also strengthen financial management practices for the future.

The District's adherence to the state's codifications will demonstrate its commitment to following the legal requirements for the betterment of its educational facilities and the community it serves.

Suggested timeframe for implementation: Q1 FY 2025

DCSD Response: Management agrees with both the Auditor's observation and recommendation.

DCSD has now stopped the use of "after the fact" purchase order processing in the E-SPLOST program since Munis has the capability to create and manage "blanket" purchase orders that are created for the entire budgeted cost of the project and liquidated as project invoices are approved and paid. By leveraging the approval workflow function and reporting capabilities of Munis, as well as obtaining technical assistance from a qualified third-party consultant, new Standard Operating Procedures to ensure that DCSD's construction management function corrects residual deficiencies and strengthens ongoing expense tracking and reporting in the E-SPLOST program.

Expected Implementation Completion: Q1-Q2 FY2025

Finding #8 – Internal Controls

Observation: As part of our procedures to review the oversight and management of E-SPLOST funds, our team reviewed the internal controls that were in place or not in place during the E-SPLOST program. We noted 18 key controls per the PPM that should have been in place. During our review of the adequacy of the design of each control, we noted that 7 of the 18 controls were not designed to effectively provide oversight and management of E-SPLOST funds.

Background/Details: Our team met with AECOM and District personnel with a responsibility over E-SPLOST processes. Our meetings consisted of interviewing the identified individuals to understand their roles, responsibilities, and processes in ensuring accurate reporting, oversight, and management of E-SPLOST funds. Management indicated the root cause for the design deficiencies was due to the lack of communication of the policy and procedures manual. Detailed below are the 7 controls where our team noted ineffective design:

Control ID	Control Description	Detail of Design Deficiency
SPLOST.01	All Project-level Schedules are monitored continually and updated at least monthly to reflect current project status.	For the selected project (Indian Creek Elementary School), evidence of approval of the change to the project schedule does not exist, and subsequent master schedules did not show an indication of the updated expected completion date.
SPLOST.04	No less than quarterly, the PMT shall reconcile the Proliance Cost Data with the District's Munis accounting data.	The process of reconciliation is not a true reconciliation. Any missing entries in Proliance are hardcoded with data from Munis. The reconciliation document for May 2022 for E-SPLOST IV shows a variance of \$75M. Per discussions with the District, true-up entries are made to agree Munis to Proliance.
SPLOST.06	The Program Master Schedule is monitored continually and updated at least monthly to reflect the current program status and is communicated to District stakeholders.	Evidence of communication of the Program Master Schedule to District stakeholders on a monthly basis (inclusive of project timelines) was unable to be provided by the District for the selected project (DeKalb Early College Academy - Security Vestibules).

Control ID	Control Description	Detail of Design Deficiency
SPLOST.08	For large projects (\$15M - \$20M), the PMT PM will submit the Project Schedule to the District for their review and approval/disapproval by the conclusion of the Planning Phase. The District will review and approve/disapprove the Project Schedule within two weeks after submittal.	For the selected project (Dunwoody Chamblee Elementary School), evidence of approval/disapproval of the project schedule was not retained.
SPLOST.14	A minimum of two (2) DCSD employees and one (1) PMT member must be in attendance when the bids/ proposals are opened and logged in. The Proposal Receipt Log must be signed by all three (3) attendees, and signify by signing the bid evaluation form that the bids were received and opened according to the state law and board policies. The Selection Committee rotates with each solicitation. For awards, the Review Committee signs the recommendation of the award, the PMT Program Director and DCSD Director of Design & Construction sign the recommendation as a reviewer, and the Executive Director of Facilities Management signs the recommendation as an approver. The signed package is submitted to the DCSD Legal Department for review and approval. If the award recommendation is over \$50,000 for Process for General Construction, then the contract requires DCSD Board of Education approval. If the award recommendation for Process for Design is over \$100,000, then the contract requires DCSD Board of Education approval.	Per discussion with management, detailed scoresheets showing the names and scores of each evaluator were not retained.
SPLOST.16	The Project Management Team (PMT) Project Manager (PM) will review/monitor the contractor's schedule and confirm that the Architect/Engineering (A/E) is performing its contractual responsibilities.	For the selected project, (Druid Hills MS) Plante Moran was not provided a certificate of substantial completion and punch list.

Control ID	Control Description	Detail of Design Deficiency
SPLOST.18	At a minimum of each month, the PMT compares the revenues received by the District from primarily the E-SPLOST receipts and GaDOE reimbursements versus the obligations that the District has agreed to through executed contracts. Any excess funds are frozen and remain in a DCSD bank account.	The District was unable to provide evidence of review for excess funds being frozen.

Recommendation #8

Industry best practice is to employ a suite of preventive and detective controls that aid in reducing the risk of misstatement or fraud. These controls can leverage the capabilities of the ERP system, with manual controls layered in as an extra line of defense.

The District should develop a control framework for future E-SPLOST programs, with a focus on establishing and communicating policies and procedures to District and AECOM personnel. Additionally, regular monitoring and periodic testing should be implemented to ensure that all controls are functioning as intended. For those controls that continue to operate ineffectively, require remedial training of the control owners consisting of a review of desktop procedures and affirmation of understanding of the requirements to effectively operate controls.

A draft control framework the District should consider for implementation is included below:

Control ID	Control Frequency	Control Description
SPLOST.01	Monthly	All Project-level Schedules are monitored continually and updated at least monthly to reflect current project status.
SPLOST.02	Weekly	The Project Manager Team (PMT) Project Managers (PMs) provide a weekly status report on each of their active projects to the Deputy Program Director for transmittal to the District on Wednesday by 2:00 PM each week.
SPLOST.03	As Needed	Changes to the project/program budget are managed by the PM and approved by the District.
SPLOST.04	Quarterly	No less than quarterly, the PMT shall reconcile the Proliance Cost Data with the District's Munis accounting data. This should be reviewed and approved by the District's accounting team.
SPLOST.05	As Needed	For all invoices, the PMT Project Administrator shall date stamp the invoice and distribute the invoice to the appropriate PMT Project Manager. The PMT Project Manager shall complete the DCSD Accounting Transmittal. The Project Manager reviews the accounting transmittal for accuracy, signs, and dates, and returns it to the PMT Project Administrator.
SPLOST.06	Monthly	The Program Master Schedule is monitored continually and updated at least monthly to reflect current Program status.
SPLOST.07	Quarterly	The Program Master Schedule is revised as directed by the District and approved by the Board of Education quarterly.

Control ID	Control Frequency	Control Description
SPLOST.08	As Needed	For large projects (\$15M+), the PMT PM will submit the Project Schedule to the District for their review and approval/disapproval by the conclusion of the Planning Phase. The District will review and approve/disapprove the Project Schedule within two weeks after submittal.
SPLOST.09	As Needed	If the Contractor's schedule update shows a substantial completion date of 30 or more days beyond the contract completion date or any milestone completion date, the contractor will submit a proposed Recovery Schedule showing how it plans to recover the lost time. The PMT PM will evaluate the Recovery Schedule and forward recommendations for any schedule modification to the District. Any resulting proposed changes to the Program Master Schedule require District approval.
SPLOST.12	As Needed	Approval for intent to advertise is approved by the DCSD Legal Department prior to listing.
SPLOST.13	As Needed	The DCSD Procurement Specialist posts the solicitation on the DCSD website and notifies by email all vendors known to the District to be interested in submitting for the solicitation. If pre-qualified vendors are available, the DCSD Procurement Specialist will select three vendors to submit proposals for the work in question.
SPLOST.14	As Needed	A minimum of two (2) DCSD employees and one (1) PMT member must be in attendance when the bids/ proposals are opened and logged in. The Proposal Receipt Log must be signed by all three (3) attendees and signify by signing the bid evaluation form that the bids were received and opened according to the state law and board policies. The Selection Committee rotates with each solicitation. For awards, the Review Committee signs the recommendation of the award, the PMT Program Director and DCSD Director of Design & Construction sign the recommendation as a reviewer, and the Executive Director of Facilities Management signs the recommendation as an approver. The signed package is submitted to the DCSD Legal Department for review and approval. If the award recommendation is over \$50,000 for Process for General Construction, then the contract requires DCSD Board of Education approval. If the award recommendation for Process for Design is over \$100,000, then the contract requires DCSD Board of Education approval.
SPLOST.15	As Needed	Upon approval, the contract package is returned to the DCSD Contract Specialist, who transmits the contract package to the DCSD Office Specialist of Executive Assistant to the COO, who will sign the transmittal form and forward the documents for signature by the DCSD Superintendent and Board of Education Chairperson (as appropriate).
SPLOST.16	As Needed	The PMT PM will review/monitor the contractor's schedule and confirm that the A/E is performing its contractual responsibilities. For all projects, on a monthly basis, the PMT PM will document their review of the contractor's schedule.
SPLOST.17	As Needed	Budget reallocations taken from program contingency over \$100,000 are approved by the Board of Education.
SPLOST.18	Monthly	At a minimum of each month, the PMT compares the revenues received by the District from primarily the E-SPLOST receipts and GaDOE reimbursements versus the obligations that the District has agreed to through executed contracts. District accounting staff will review and approve the reconciliation.
SPLOST.19	As Needed	At the conclusion of each project, the PMT will conduct a walkthrough validating the conditions of the completed project and affirm such on the closeout checklist.

Control ID	Control Frequency	Control Description
SPLOST.20	As Needed	A 3-way match is performed by the District's accounts payable department to ensure what was ordered by the District matches what was received and invoiced.
SPLOST.21	Continuous	Munis enforces segregation of duties within the procurement and disbursement cycle to ensure those with procurement abilities do not have disbursement abilities.
SPLOST.22	As Needed	All vendor contracts are reviewed by the District's Chief Legal Officer and a subject matter expert for the goods/services being procured.

Suggested timeframe for implementation: Q2 FY 2025

DCSD Response: Management agrees with both the Auditor's observation and recommendation.

DCSD will leverage the technical capabilities of Munis associated with workflow and document verification, as well as contract a qualified third-party consultant to develop a framework within the E-SPLOST program that addresses internal controls. Additionally, Internal Audits & Compliance has begun the process of developing an Enterprise Risk Management (ERM) framework that will institute preventive and detective controls to reduce the risk of material misstatement or fraud within the District's business functions.

Expected Implementation Completion: Q3-Q4 FY2025

Finding #9 – Change Orders

Observation: During our review of the District's E-SPLOST IV and E-SPLOST V processes it was noted 689 change orders with a total value of \$126.8M were recorded. We noted 30 instances of change orders over \$100,000 when the base contract value was less than \$1M. For the 30 instances, the total value of the base contracts was \$8M. After the change orders were applied, the total contract value including change orders was \$111.5M.

Background/Details: Throughout the construction process, changes in scope, conditions, costs, etc., occur that require an amendment to the originally contracted price. In these instances, a change order is issued and establishes a new contracted price and term for the project.

As part of our comprehensive audit of E-SPLOST expenses, we focused on analyzing the construction change order process. Our objective was to assess the effectiveness, compliance, and adherence to established policies within this area. Our team requested the contract associated with the project, the specific change order details, evidence of approval of the change order, and any relevant supporting documentation for each of our selections.

Through discussions with DCSD staff, along with a review of policies and procedures in section 7-CON-0030 2.0 in the PPM, we noted approvals from the Superintendent and the Legal Department are required for each change order. Additionally, included in the justification for the change order there is required to be:

1. Contractor documentation showing the necessary updates
2. Estimated costs
3. Valid reasoning for the change order
4. Approval from the Superintendent, and if the change exceeds \$100,000, the Board of Education Chair
5. Approval from the Legal Department

Audit Approach and Sample Selection

We began our analysis by gathering the entire population of change orders executed during E-SPLOST IV and V, totaling 689 change orders with a total value of \$126.8M. We selected 30 change orders with a total value of \$97.7M. This represents 77% of the total dollar value of E-SPLOST IV and E-SPLOST V change orders. We made our selections for further analysis based on the following criteria:

1. Risk Assessment: We evaluated transactions based on the change order amount relative to the contract value. Change orders that resulted in at least a 10,000% increase in the original contract price were selected. 8 change orders were selected based on this criterion.
2. Change Order Volume: Projects with at least 20 executed change orders were deemed significant and included in our sample. 15 change orders were selected based on this criterion.
3. Change Order Amount: Projects that approached the \$100,000 threshold were chosen. According to PPM section 7-CON-0030 1.3, change orders exceeding \$100,000 must receive board approval. 4 change orders were selected based on this criterion.
4. Vendor Change Order Volume: Vendors that constituted at least 10% of all E-SPLOST IV and E-SPLOST V project change order requests were selected for testing. 3 change orders were selected based on this criterion.
5. Project Significance: We sorted the change orders based on the highest total expenditure amount for each of the specified criteria and selected projects with the highest spending.

Audit Findings

In our audit of 30 samples, 2 samples lacked evidence of a review by the Legal Department. However, our primary concern centered around large change orders approved on initially small contracts. In our sample of 30, we identified 8 instances where the initial contracts underwent significant increases in total contracted amount and scope. These instances are described below:

Project Name/Number	Change Order Title	Original Contract Amount	Change Order	Percent increase
Indian Creek ES – 223-423	Indian Creek ES GMP-1 (Site Work)	\$50,000	\$5,000,000	10,000%
Indian Creek ES – 223-423	Indian Creek ES Component GMP #2	\$50,000	\$11,700,000	23,400%
Indian Creek ES – 223-423	Indian Creek ES Final GMP - CO #3	\$50,000	\$19,850,000	39,700%
McNair MS Replacement – 505-422	Change Order #03 - Final GMP	\$35,000	\$22,942,113	65,500%
McNair MS Replacement – 505-422	GMP - Phase II - Structure Package	\$35,000	\$9,098,879	26,000%
McNair MS Replacement – 505-422	GMP - Phase I - Site Package	\$35,000	\$3,000,000	8,500%
Doraville United ES – 222-423	Gilbane - Change Order #01 Early Release Package No. 1	\$20,500	\$5,000,000	24,400%

Doraville United ES – 222-423	Gilbane - Change Order #03 CKNES GC	\$20,500	\$15,378,262	75,000%
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This finding identifies the opportunity for contractors to exploit the procurement process. Contractors have an opportunity to secure approval for a small contract amount during the vendor selection process, then inflate costs significantly using change orders. This practice undermines the competitive bidding process and is a way for vendors to manipulate the bidding process by appearing to be cost-effective to the District.

Recommendation #9

Industry best practice is to maintain an owner contingency within the overall budget and ensure strong controls exist within.

Additionally, the District should implement oversight procedures during the procurement process. This could include a cap on the percentage increase allowable through change orders, regular audits of contract amendments, and a review process by an independent committee. Additionally, training for District officials on the identification and prevention of such exploitative practices by contractors may help to ensure the integrity of the competitive bidding process.

Suggested timeframe for implementation: Q2 FY 2025

DCSD Response: Management agrees with the Auditor’s recommendation.

The District’s “Standard Form of Construction Management Contract” dictates the use of “Exhibit M” for the submittal and approval of ‘partial’ (or ‘component’) GMPs. DCSD Management states that the Change Orders observed by the Auditors are not technically Change Orders, but rather constitute the “Exhibit M” under the Guaranteed Maximum Price proposals approved as part of the larger, total contract for construction.

Similar to the DCSD Response to Finding #3, DCSD will contract and leverage input from a qualified third-party qualified consultant to work alongside SPLOST Management and the Office of Legal Affairs to develop a framework within the newly developed Standard Operating Procedures (see Finding #1 response) to ensure that the District’s construction management function meets the best industry standards – including consideration and adjustments to contract structure and language, as well as the approval process for elements of total project expenditures in a manner that puts DCSD at the best possible advantage. The District’s Office of Legal Affairs will also work with DCSD Finance to ensure that the full capabilities of Munis’ contract management module, which is already in use, are also deployed to those ends.

Expected Implementation Completion: Q3-Q4 FY2025

Finding #10 – Project Spending

Observation: For 15 E-SPLOST IV and 2 E-SPLOST V completed construction projects, the total expenditures surpassed the budgeted amount approved by the Board.

Background/Details: The Board approved the initial scope and budget for each project, with the stipulation that any subsequent modifications to the scope or budget over \$100,000 must be approved by the Board. While there is a program contingency fund for unexpected increases in project costs, these modifications may encompass alterations to the project's scope or even the discontinuation of other projects.

We noted a consistent theme of fluctuating project budgets, incomplete retainage of change orders, and the inability of the District to provide a comprehensive record of all contracts and change orders related to E-SPLOST IV and E-SPLOST V expenses. Despite these issues, we noted the Operations team's monthly financial reports stored within District drives have consistently shown that the E-SPLOST IV and E-SPLOST V funds remain within the limits of the State's financial contributions.

During our review of project spend, we noted the following projects spent more than the approved budget amount:

E-SPLOST IV Completed Projects

Total Amount Approved per Budget File	\$120,012,466	
Total Amount Expended	\$123,801,093	
Difference	\$3,788,627	Spent over budget

Project	Budget Amount	Expensed Amount	Overspend:
108. Eldridge Miller ES - ADA	\$747,374	\$777,416	\$30,042
115. Jolly ES - ADA	\$777,934	\$820,513	\$42,579
134. Woodward ES - ADA	\$540,143	\$544,550	\$4,407
139. Eagle Woods Academy Renovation	\$2,075,324	\$2,093,864	\$18,540
211. Buck Godfrey Stadium	\$2,031,078	\$2,126,726	\$95,648
304. Cedar Grove MS - Capital Renewal	\$2,480,727	\$2,507,511	\$26,784
314. International Student Center	\$564,226	\$624,641	\$60,415
336. Wadsworth ES - Capital Renewal	\$305,774	\$343,189	\$37,415
403. Brockett ES - Capital Renewal	\$1,758,703	\$2,748,030	\$989,327
417. Kittredge ES - Capital Renewal	\$329,195	\$350,648	\$21,453
505. McNair MS Replacement	\$40,731,144	\$40,782,170	\$51,026
506. Peachcrest ES Replacement	\$20,959,041	\$21,356,984	\$397,943
507. Pleasantdale ES Replacement	\$26,830,843	\$28,307,843	\$1,477,000
512. Henderson MS Renovation/Addition	\$19,312,027	\$19,827,166	\$515,139
519. Portable Classrooms	\$568,933	\$589,843	\$20,910
Total	\$120,012,466	\$123,801,094	\$3,788,628

E-SPLOST V Completed Projects

Total Amount Approved per Budget File	\$31,542,166	
Total Amount Expended	\$31,720,045	
Difference	\$177,879	Spent over budget

Project	Budget Amount	Expensed Amount	Overspend:
201. Cross Keys High School	\$143,045	\$310,973	\$167,928
221. John Lewis Elementary School	\$31,399,121	\$31,409,071	\$9,950
Total	\$31,542,166	\$31,720,044	\$177,878

Our team reviewed the change orders available to support the amount spent over the initially approved budget amount. Due to incomplete retainage of contracts and change orders and the inability to obtain a

comprehensive record of all contracts and change orders related to E-SPLOST IV and E-SPLOST V expenses, we noted 3 of the 17 projects with overspend had evidence of change orders to support approval of the additional expenses:

Project	Expensed Amount	Total of Contracts and Change Orders	Difference
108. Eldridge Miller ES - ADA	\$777,416	\$1,107,561	\$330,145
314. International Student Center	\$624,641	\$767,208	\$142,567
519. Portable Classrooms	\$589,843	\$592,645	\$2,802

While the projects above were over the approved initial budget assigned to the project, the total spend of the E-SPLOST IV and V funds did not exceed the approved fund budget of \$636.9M for E-SPLOST IV and \$630.3M for E-SPLOST V.

Upon reviewing the status of projects and the current amount paid to date in the Monthly Status Reports and comparing them with the expense ledger for E-SPLOST IV and E-SPLOST V expenses, it has been observed that while the ledger generally concurs with the status and current expenses reported in the monthly reports, discrepancies were identified. Specifically, there were projects that incurred expenses during a month yet were not listed in the respective Monthly Status Report, and there are also instances where expenses attributed to projects are not accurately captured in the current expenses paid to date.

A total of \$45.2M was recorded in CrossPointe as expenses throughout 2017, however, these expenses were absent from the Monthly Status Reports until January 2018. This oversight challenges the transparency expected by stakeholders, given the program's approval by voters in May 2016.

Furthermore, there were discrepancies in project expenditure reporting for E-SPLOST IV project 412. In December 2016, \$446,806 was expensed to date, but only \$219,320 was reported. Although the correct amount of expenses paid to date was initially reported in November 2016, it was errantly reduced in subsequent reports and was not corrected until May 2017.

These discrepancies indicate that the Monthly Status Reports do not fully reflect the actual financial activities, indicating a need for a more thorough reconciliation process to ensure accuracy and transparency in financial reporting. Additionally, we noted only 5 of the Monthly Status Reports between fiscal years 2019 and 2023 are accessible to the public on the District's C.I.P. website, therefore limiting the transparency of the program to the community.

Our team performed an analysis of the physical technology purchases. In our analysis, we compared the unit prices of physical technology purchases made by the District against the prevailing market rates. The review showed that the items were acquired with either neutral or favorable terms when compared with the market rates for the same item.

Recommendation #10

Industry best practice is to maintain a detailed accounting ledger by project, with the supporting documentation behind it, in an organized fashion. This provides the opportunity to not only re-trace the project from inception to completion but also allow trends or anomalies to be detected and acted upon.

The District should implement procedures to ensure changes to project budgets are captured to allow continuous monitoring of project spending to the approved project budget. Additionally, the District should ensure the comprehensive contract management system that is being implemented in Tyler

Technologies Munis system identifies all contracts and change orders related to E-SPLOST expenditures so the District is aware of its financial obligations, timelines, and deliverables. The District should also implement a more thorough expense reconciliation process to ensure the monthly reporting of project status and expenses to date is complete and accurate for full transparency to District stakeholders. Finally, the District should implement a periodic internal audit of the contracts and change orders to ensure proper approval is obtained.

Suggested timeframe for implementation: Q2 FY 2025

DCSD Response: Management agrees with the Auditor's recommendation.

DCSD Management has already leveraged Munis' contract management system and project ledger to maintain a detailed accounting ledger by project, with the supporting documentation behind it, in an organized fashion. This will allow for a more thorough expense reconciliation process to ensure the monthly reporting of project status and expense.

Expected Implementation Completion: Q3 FY2025

Finding #11 – Final Inspection Documentation

Observation: The final inspection documents for E-SPLOST IV and E-SPLOST V construction projects were not maintained to provide them in a timely manner for audit purposes.

Background/Details: In the final stages of a construction project, District and AECOM personnel obtain and complete the final inspection documents. The final inspection documents include the Substantial Completion Form, evidence of project completion such as a Certificate of Occupancy or Certificate of Completion, and Consent to Surety of Final Payment.

The Substantial Completion Form is a critical document that signifies the near completion of the project. The form lists any incomplete work along with estimated costs to finish those tasks, serving as a formal acknowledgment between the contractor and the District of the final work to be completed.

Additionally, evidence of Certificate of Occupancy or Certificate of Completion is necessary to demonstrate that the work has been performed according to the contract specifications, is satisfactory to the District's requirements, and that the building is transitioned to the District for its intended use.

Finally, the Consent to Surety of Final Payment is an assurance from the bonding company that they are aware of and approve the amount of the final payment of the contractor. The document assures the bonding company that they will fulfill the contractor's obligations if the contractor cannot complete the payment to any unpaid subcontractors, suppliers, or laborers. This document protects the District's financial interests and ensures the project's successful closure.

Together, these documents form a comprehensive close-out process, intending to safeguard the District's investment and confirm the integrity and completion of the construction project.

Audit Approach

We began our approach by identifying the E-SPLOST IV and V construction projects that were completed based on the listing of all projects provided to us by District personnel. 114 projects were identified for E-SPLOST IV and 8 projects were identified for E-SPLOST V.

Our team utilized the following testing steps during our review of the transactions.

Test Step	Procedure
#1	Ensure the project scope approved by the Board agrees to the scope on the Substantial Completion Form
#2	Ensure the Substantial Completion Form was fully executed
#3	Ensure any work that was incomplete at the time of the Substantial Completion Form was estimated on the form
#4	Ensure there was evidence of project completion, such as a Certificate of Occupancy or Certificate of Completion, and was approved by an appropriate individual
#5	Ensure a Consent to Surety of Final Payment was issued and approved

We noted of the 122 completed E-SPLOST IV and V construction projects, full support of the 3 requested documents (Substantial Completion Form, Certificate of Occupancy/Completion, and Consent to Surety of Final Payment) was able to be provided for 28 projects, all within E-SPLOST IV. The remaining documentation was not able to be provided by District personnel in a timely manner, therefore, we could not conclude if the documentation was completed and furnished to relevant parties.

Recommendation #11

Industry best practice is to establish a close-out checklist, with a final review of the checklist and supporting documentation (and the storage of this documentation) performed by those charged with management of the capital program.

The District should establish a systemic approach to maintaining the crucial closeout documentation for complete projects. The documentation should be easily accessible to individuals with appropriate roles and responsibilities. Additionally, implementing a periodic internal audit of the Final Inspection Documents ensures the documentation meets the requirements and is ready for external consideration.

Suggested timeframe for implementation: Q2 FY 2025

DCSD Response: Management agrees with the Auditor’s recommendation.

DCSD Management will leverage the document retention capabilities of Munis, the current Records Digitation project, and the implementation of a District-wide document retention schedule and policy to ensure that all relevant documentation, including Final Inspection Documentation, are available for any future Financial or Legal audit, assessment, or review.

Expected Implementation Completion: Q3 FY2025

Responses to questions fielded from Board Members and Community Advisors:

Throughout our engagement, multiple questions were asked by DCSD Board Members and E-SPLOST Citizen Oversight Committee Members. Those questions and the responses are below:

Question #	Question Asked By	Question	Plante Moran Response
Question #1	Board Member Hill	The BOE initiated this audit because they wanted to confirm: Is what the BOE approved what actually happened?	Our team reconciled the Board-approved projects to actual reported expenditures on E-SPLOST IV and E-SPLOST V projects. Additionally, we met with the E-SPLOST Program Manager (AECOM) to review current processes and procedures relative to contracts, pay applications, and reporting. From our observations, it appears that DCSD received the \$999M in capital improvements between E-SPLOST IV and V and was reported to the DCSD Administration on a monthly basis from AECOM.
Question #2	Board Member Hill	Does any of your work help explain why E-SPLOST V is approximately 50% expended even though we are well into the collection of E-SPLOST VI?	PM reviewed design and construction schedules with AECOM for E-SPLOST V and confirmed the Capital Improvement in Process (CIP) amounts. E-SPLOST V expenditures were slowed between 2019 and 2022 due to the realignment of DCSD priorities as well as the impact from COVID. To date, E-SPLOST V projects in process total approximately \$85M to \$95M, which equates to a E-SPLOST V expenditure of 75% at this time. An analysis of E-SPLOST VI projects and expenditures is outside the scope of our engagement.
Question #3	Board Member Hill	Do you have concerns that the issues exist in E-SPLOST VI?	While we noted significant issues with regard to governance and oversight in E-SPLOST IV and E-SPLOST V, we are encouraged by the District's commitment to remediation through the Miracles program. We trust the District in their remediation efforts, however, these actions should be validated and regularly monitored through routine internal audits.
Question #4	Board Member Hill	Does it concern you that E-SPLOST reporting is not timely or accurate?	Yes, due to the fact the District was unable to produce a detailed ledger of expenses and the related support.

Question #	Question Asked By	Question	Plante Moran Response
Question #5	Board Member Hill	Have you ever experienced this in other districts? Maybe a better way to ask the question is on a scale of 1-10, how “serious” would you consider these problems? 1, 5, 7?	Yes, but not to this extent. These are serious deficiencies over governance and oversight of taxpayer funds. The lack of key controls over the E-SPLOST program gives rise to the seriousness of our findings.
Question #6	Board Member Hill	Do you suspect fraud, waste, or abuse?	We performed an extensive analysis involving analytics and research to narrow the population from \$1B of spend to 23 flagged vendors. We subsequently performed an exhaustive review of invoices and emails to understand the facts and circumstances surrounding the reasons that led to 16 of the vendors being flagged, and in our review did not identify evidence of fraud waste or abuse related to those vendors. However, there were seven vendors for which we were unable to make a determination as to their appropriateness due to the lack of information available for review.
Question #7	Board Member Hill	Was there any work you wish you had been able to perform but it was outside of the scope of work?	Yes, we wish we had the opportunity to provide real-time remediation and coaching to District team members. Once issues were found, we wish we had been able to develop policies, procedures, controls, templates, etc., that would provide District team members with the skills and tools to remediate the identified issues. This would then provide a roadmap for standing up a governance and monitoring function that allows real-time reporting to prevent and detect material deviations from best practices and policies.
Question #8	E-SPLOST Citizen Oversight Committee Member Major	Do you have a dollar value tied to the documents that could not be found	There was \$274M in expenses that we were unable to fully test due to missing documentation.
Question #9	E-SPLOST Citizen Oversight Committee Member Allen	How many transactions were there where no documentation at all was available	There were 1,234 transactions with a value of \$22.6M where no documentation was available to test.

Question #	Question Asked By	Question	Plante Moran Response
Question #10	E-SPLOST Citizen Oversight Committee Member Major	Regarding change orders, were you not able to find them, or do they just not exist?	Construction change orders were tracked in the third-party engineering firm's system. They were supposed to be maintained digitally on District drives; however, our team was unable to locate all change orders even after requesting assistance from District personnel.

III. Forensic Analysis



SUMMARY OF FINDINGS

1. Through analysis and research, we flagged 23 vendors for further review.
2. Of the 23 flagged vendors,
 - a. No evidence of fraud waste or abuse was identified for 16 of the vendors researched.
 - b. We were unable to make a determination due to limited information for seven (7) of the vendors researched.
3. We have incorporated our recommendations in Section II of this report.

For the seven (7) vendors referenced in 2b: We did not find evidence to conclude that problematic activity occurred. However, we also did not identify evidence to substantiate the red-flag anomalies. This is primarily due to the District not maintaining evidence, nor having institutional knowledge of the transactions due to the length of time having passed since these transactions occurred, as previously explained in this report.

4. Going Forward, more timely audits and/or transactional reviews are needed to ensure evidence and/or institutional knowledge exists to support the transactions. The District should caution not penalize the six (6) vendors for its own lack of record keeping and/or staff turnover.

	Vendor Name	No. of E-SPLOST	Total E-SPLOST	Summary of Research
		Projects	Spend	
1	Ace Modular Structures	1	\$ 65,809.00	No evidence of fraud, waste, or abuse was identified.
2	Autaco Development LLC	13	2,820,456.97	No evidence of fraud, waste, or abuse was identified.
3	B Levett & Company Inc.	6	464,735.56	No evidence of fraud, waste, or abuse was identified.
4	Blue Door Networks LLC	1	84,475.58	No evidence of fraud, waste, or abuse was identified.
5	Brandon W. Silvera	1	15,190.00	Unable to make a determination due to limited information.
6	Burwyn Associates	1	15,518.50	No evidence of fraud, waste, or abuse was identified.
7	Celebrity Fence Co.	1	406,588.00	No evidence of fraud, waste, or abuse was identified.
8	Century Music Center	1	538,464.27	No evidence of fraud, waste, or abuse was identified.
9	Clean-A-Blind of Atl	3	87,285.00	No evidence of fraud, waste, or abuse was identified.
10	Compass Environmental Inc.	39	140,223.13	No evidence of fraud, waste, or abuse was identified.
11	Construction Consulting	1	93,125.00	No evidence of fraud, waste, or abuse was identified.
12	Cooper & Co General Contractors Inc.	2	25,459,376.31	No evidence of fraud, waste, or abuse was identified.
13	Donald Camp Inc.	9	395,539.98	Unable to make a determination due to limited information.
14	Evelyn R. Barnes	1	72,960.00	Unable to make a determination due to limited information.
15	Evergreen Corporation	2	81,668,601.00	No evidence of fraud, waste, or abuse was identified.
16	GSB Architects Inc.	6	184,945.70	No evidence of fraud, waste, or abuse was identified.
17	Guardian of Georgia	1	2,955,842.45	No evidence of fraud, waste, or abuse was identified.
18	M Mitchell Group LLC	8	351,380.00	Unable to make a determination due to limited information.
19	Mechanical Services Inc.	3	261,363.00	No evidence of fraud, waste, or abuse was identified.
20	Ninas Consultant Services	1	74,410.00	Unable to make a determination due to limited information.
21	Tracie Graham	1	20,625.00	Unable to make a determination due to limited information.
22	Tracy Watson Adkison	1	31,850.00	Unable to make a determination due to limited information.
23	Winter Construction	2	37,470,886.30	No evidence of fraud, waste, or abuse was identified.

PROCEDURES PERFORMED

For this engagement, we performed the following:

- Obtained access to DCSD’s current accounting system, Munis, and extracted relevant information;
- Obtained access to DCSD’s legacy accounting system, Cross Point, and extracted relevant information;
- Combined and reconciled E-SPLOST information from both accounting systems to create a master listing of all E-SPLOST disbursements;
- Interviewed key employees;
- Performed data analytics and, using a risk-based scoring system, identified transactions and vendors warranting additional research;
- Performed background research on select entities and individuals utilizing Thomson Reuters CLEAR³ software;
- Recorded and analyzed vendor ownership information utilizing Georgia’s Secretary of State website⁴;
- Analyzed invoices, contracts, purchase orders (“POs”), and other supporting documentation; and
- Obtained email activity for the following individuals⁵ to locate conversations and/or supporting documentation related to flagged vendors and transactions.

<u>Name</u>	<u>Title - Scope Period</u>	<u>Name (cont.)</u>	<u>Title - Scope Period (cont.)</u>
Antwyn Brown	Chief of Staff	George Harkness	Project Manager
Ashley Wilson (Kebreau)	Project Manager	Greg Smith	Project Manager
Belinda Quillet	Finance	Hans Williams	Director of Operations
Brian Albanese	Project Manager	John Wright	Program Director
Carl Henry	Project Manager	Joshua Williams	Chief Operations Officer
Chante Lemon	Project Manager	Kathie Wise	Accounting
Cheryl Watson-Harris	Superintendent	Lemuel Hawkins	Project Manager
Daniel Drake	Interim Chief Operations Officer	Mel Butler	Project Manager
Daniel Minich	Project Manager	Noel Maloof	Chief Operating Officer
Dawn Robinson	Budget Specialist	Philip Guthrie	Project Manager
Derji Thomas	Project Manager	Richard Boyd	Director
Don Little	Project Manager	Robert Mitchell	Project Manager
Eno Atta	Project Manager	Ryan Fernandez	Project Manager
Joseph Fitzgerald	Project Manager	Wayne Channer	Project Manager

³ <https://legal.thomsonreuters.com/en/products/clear>

⁴ <https://ecorp.sos.ga.gov/BusinessSearch>

⁵ Six (6) individuals had corrupted email containers which prevented the extraction of their entire email population, resulting in the loss of approximately 3% of emails downloaded. Those individuals are Richard Boyd, Joseph Brew, Antwyn Brown, Carl Henry, Belinda Quillet, and Kathie Wise.

INTERVIEWS

In order to complete our objectives, we conducted interviews with the following individuals:

- Barry Thompson, External Consultant
- Belinda Quillet, Procurement Manager
- Byron Schuenemen, Chief Financial Officer
- Carla Smith, Vendor Services Executive Director
- Dan Copeland, Finance Systems Engineer
- Eric Cannady, Accounts Payable Manager III
- Erick Hofstetter, Chief Operating Officer
- Gwendolyn Brame, IT Business Operations
- Hans Williams, Director of Planning & Capital Improvement
- Jacinta Hightower, Manager – Division of Operations – Planning
- Jamie Amos, Manager Risk Advisory FORVÆS (provided compliance audit services related to COVID)
- Joel Thibodeaux, Director of Internal Audits & Compliance
- Lance McConkey, Comptroller
- Mel Butler, Jr., E-SPLOST Program Director
- Monika Davis, Chief Information Officer
- Richard Boyd, Director of Design & Construction
- Shauna Woody-Coussens, Managing Director, FORVÆS (provided compliance audit services related to COVID)
- Tijuana Naylor Smith – ESPLOST Budget Analyst III

INFORMATION RELIED UPON

For this engagement, we obtained and relied upon the following information:

- Vendor Master File extracted from Munis (“Munis VMF”)
- Vendor Master File provided to us from Cross Point (“Cross Point VMF”)
- Employee Master Files extracted from Munis and Cross Point, which we combined into one file (“Combined EMF”)
- Invoice listings provided to us from Cross Point, by fiscal year
- Invoice listing extracted from Munis

- E-SPLOST transaction detail, including:
 - General Ledger Detail provided to us from Cross Point
 - Munis Project Detail History Reports
 - Munis General Ledger Detail Reports
 - Munis Account Detail History Report
- Supporting documentation for hundreds of E-SPLOST purchases, including but not limited to POs, invoices, contracts, check stubs, receipts, etc.
- E-SPLOST IV Program Budget Reallocations (detailing total budget by project)
- E-SPLOST V Project List of Board Approved Budget Adjustments (detailing total budget by project)
- Budget & Spend Report, detailing total spend by project
- Electronic extractions of select DSCD employee email accounts (.PST format) from DSCD’s network
- Background information related to multiple DSCD employee’s and vendors as obtained from public records, social media, open-source web searches, and Thomson Reuters CLEAR

PROCESS

We performed the following procedures to analyze E-SPLOST vendors and related spending within our scope:

- **Step 1) Data analytics:** We performed analytical data tests on over 7.5 million invoices, including both E-SPLOST and non-E-SPLOST invoices, received from 424 E-SPLOST vendors during the scope period. Including all invoices in the analysis ensured the results from select tests were not misleading. For example, if we only included E-SPLOST invoices, a vendor submitting sequential invoice numbers might not be flagged if they also submitted non-E-SPLOST invoices, as the non-E-SPLOST invoices would cause seemingly legitimate gaps in the numbering rather than then questionably sequential numbering. A detailed description of each test is provided below.

No.	Test Name	Test Description
<p>Invoice Number Tests: Invoice numbers are an important aspect of invoicing as they make it easier to track payments and manage overdue invoices. Anomalies in a vendor’s invoice numbers may be indicative of fictitious payments, fictitious vendors, and/or erroneous charges.</p>		
1.	Sequential invoice numbers	Sequential invoice numbers can be indicative of a potentially fictitious vendor, as it would indicate they do not have other customers.

No.	Test Name	Test Description
2.	Invoice numbers of 100 or lower	Typically, lower invoice numbers are indicative of newly established vendors. Newly established vendors may present an operational risk and/or could be indicative of a fictitious vendor.
3.	Invoice numbers without numbers	Invoice numbers that don't include numbers (i.e., are comprised solely of text characters) would not be expected (i.e., should be the exception versus the norm).
4.	Invoice dates as invoice numbers	Invoice numbers that don't include legitimate numbers (i.e., are just the invoice date) would not be expected (i.e., should be the exception versus the norm).
5.	Duplicate invoice numbers	Duplicate invoice numbers may be indicative of a fictitious charge or a fictitious vendor and/or may lead to accidental duplicative payments.
<p>Vendor Information Tests: A vendor master file ("VMF") is a database that lists all vendors. It typically includes key information about an organization's vendors, including addresses, key contacts, payment terms, EIN, etc. Anomalies in this data may signal fictitious vendors, vendors with a conflict of interest involving employees, or poor record-keeping practices.</p>		
6.	Invoices from vendors not on the vendor master file	A payment issued to, or invoice received from, a vendor not listed in the VMF can be indicative of a problematic disbursement.
7.	VMF to Employee Master File Comparison	Vendors with matching characteristics, such as an address, with an employee may indicate a fictitious vendor.
8.	Vendors with missing information	A potential characteristic of a fictitious vendor is that key information for the vendor is missing from the VMF.
<p>Vendor Payment Tests: We conducted various statistical and red-flag tests to identify vendors with anomalous payment activity.</p>		
9.	Z-Score analysis	A one-time payment to a vendor for an amount significantly larger than other payments to that vendor can also be indicative of a fraudulent payment. A Z-Score is a statistical measurement that identifies payments that are outside the expected amount compared to the average payments for a vendor.
10.	Benford's Law	Benford's Law is a mathematical theory that applies to large sets of randomly produced natural numbers, such as AP disbursements. According to this theory, the number 1 occurs more frequently than the number 9, resulting in an inverse exponential distribution. Problematic payments, if they exist, often deviate from Benford's Law because they are not random.
11.	Round dollar amount invoices	While legitimate disbursements may involve rounded dollar amounts, perpetrators frequently use these rounded amounts when issuing problematic payments. We defined round dollar amounts as an even \$1,000 increment.

No.	Test Name	Test Description
12.	Trend of vendor payments over time	One potential characteristic of a fictitious vendor and/or a kickback scheme is the payments to the vendor increase over time.
13.	Vendors receiving only one payment	A potential characteristic of a problematic disbursement is that the payment was issued to a vendor who received no other payments.

From these analytics, we flagged ~170 vendors for Step 2, based on the following criteria:

- Vendors flagged by *Test #7: VMF to Employee Master File Comparison*.
- Vendors flagged by *Test #10 #Benford's Law*.
- Vendors flagged using a weighted risk-based scoring system, including the following tests:
 - Invoices from vendors not on VMF (weight-score of 1);
 - Sequential invoice numbers (weight-score of 1);
 - Invoice numbers of 100 or lower (weight-score of 1);
 - Duplicate invoice number (weight-score of 1);
 - Invoice numbers without numbers (weight-score of 0.75);
 - Invoice dates as invoice number (weight-score of 0.5);
 - Vendors receiving one payment (weight-score of 0.5); and
 - Round dollar amounts (weight-score of 0.1).
- Vendors flagged due to unusual payment trends.
- ***Step 2) Public record and web presence research:*** We utilized Georgia's Secretary of State website to identify the registered agents and directors of the (Georgia-based) vendors flagged in Step 1. In addition, we researched each vendor's web presence to confirm the existence of company websites and physical addresses. We flagged 66 of the ~170 vendors for additional research based on limited-to-no state filings, no web presence, and/or the use of residential addresses as its business address.
- ***Step 3a) Vendor invoice review and enhanced background research:*** We found instances whereby vendor invoices were either lost or destroyed. However, we analyzed the available invoices for the 66 vendors flagged in Step 2. Our analysis included:
 - Reviewing the invoices for reasonableness (i.e., did they contain reasonable supporting information);

- Identifying formatting anomalies;
- Assessing business purpose;
- Checking mathematical accuracy; and
- Looking for other characteristics commonly found in fictitious and/or problematic billings.

Additionally, we performed CLEAR background research on select vendors. These procedures resulted in identifying 18 potentially problematic vendors flagged for further research.

- **Step 3b) Comparison of employee addresses with vendor addresses:** A common asset misappropriation tactic involves a scheming employee creating fake vendors using their own address. To address this risk, we used CLEAR to perform background research on all employees paid more than \$100,000 of E-SPLOST funds (31 employees, in total) and compiled a listing of more than 50,000 associated addresses (e.g., current addresses, previous addresses, addresses of associated businesses, and addresses of potential relatives as identified by CLEAR). The 31 employees researched are detailed in the ensuing table:

<u>Employee</u>		<u>Employee (cont.)</u>	
1	Richard Boyd	17	John Jambro
2	Joseph Brew	18	Hankyul Kim
3	Leo Brown	19	Chante Lemon
4	Yolanda Brown	20	Giovanni Marrero
5	Joseph Burge	21	Iguana Marshall
6	Lee Cain	22	Ramona Mills
7	Donta Collins	23	Tijauna Naylor Smith
8	Kimberley Collins	24	Alicia Payton
9	Lucretia Davis	25	Belinda Quillet
10	Regina Day-Framob	26	Adrein Walker
11	Daniel Drake	27	Christopher Weyman
12	Elizabeth Epstein	28	Hans Williams
13	Karen Harris	29	Matthew Williams
14	Lemuel Hawkins	30	Michael Williams
15	Justine Hayward	31	Kathie Wise
16	Darlene Hughes		

We joined our listing of associated addresses to the Combined EMF, resulting in a master *Employee Address File*. We compared the *Employee Address File* to the addresses in the Munis VMF and Cross Point VMF to identify E-SPLOST vendors with addresses matching an employee or an employee’s associated address. We performed this comparison using a geocoding process, which matches addresses based on the proximity of the latitude and longitude coordinates for each address⁶. We identified that some employees, such as

⁶ Within our test, geocoding can only be applied to valid addresses located within the U.S. and Canada. International addresses are excluded from this test, as well as addresses that do not exist or addresses that are missing information. For vendor addresses that cannot be geocoded, such as P.O. Boxes, we manually compared the addresses to the Employee Address file. There were ~220 such addresses for ~130 vendors which we manually compared.

Brandon Silvera (also a SPLOST vendor), are paid expense reimbursements through the Accounts Payable process; we have excluded these matches from the list of matches below. We identified the following E-SPLOST vendors were paid during our scope period and shared an address with an entry in our *Employee Address File*. These matches are indicative of an employee’s relative owning and/or managing an E-SPLOST vendor.

<u>District Employee</u>	<u>Relative of District Employee</u>	<u>Address of Relative</u>	<u>Vendor</u>	<u>Address of Vendor</u>
Leo Brown	Gary Brown	3099 Washington Rd., Atlanta, GA 30344	Autaco Development LLC	3099 Washington Road, Suite B, East Point, GA 30344
Kimberley Collins	Mark Collins	304 Tribble Gap Rd. #100, Cumming, GA 30040	Cooper & Co. General Contractors	304 Tribble Gap Rd. #100, Cumming, GA 30040
Ramona Mills	William Mills	3091 E. Shadowlawn Ave NE, Atlanta, GA 30305	GSB Architects Inc.	3091 E Shadowlawn Ave NE, Atlanta, GA 30305

We added these three (3) vendors to our list of 18 vendors flagged in Step 3a above, for additional research.

- **Step 3c) Other selected vendors:** We included two (2) additional vendors in our list for further research, Evergreen Corporation and Winter Construction, as they had E-SPLOST-related change orders totaling over \$30M.

In total, our analytics, public record research, invoice review, and background research resulted in 23 vendors flagged for additional review (**Step 4**). These vendors are detailed in the ensuing table:

	<u>Vendor Name</u>	<u>No. of E-</u>	
		<u>SPLOST</u>	<u>Total E-SPLOST</u>
		<u>Projects</u>	<u>Spend</u>
1	Ace Modular Structures	1	\$ 65,809.00
2	Autaco Development LLC	13	2,820,456.97
3	B Levett & Company Inc.	6	464,735.56
4	Blue Door Networks LLC	1	84,475.58
5	Brandon W. Silvera	1	15,190.00
6	Burwyn Associates	1	15,518.50
7	Celebrity Fence Co.	1	406,588.00
8	Century Music Center	1	538,464.27
9	Clean-A-Blind of Atl	3	87,285.00
10	Compass Environmental Inc.	39	140,223.13
11	Construction Consulting	1	93,125.00
12	Cooper & Co General Contractors Inc.	2	25,459,376.31
13	Donald Camp Inc.	9	395,539.98
14	Evelyn R. Barnes	1	72,960.00
15	Evergreen Corporation	2	81,668,601.00
16	GSB Architects Inc.	6	184,945.70
17	Guardian of Georgia	1	2,955,842.45
18	M Mitchell Group LLC	8	351,380.00
19	Mechanical Services Inc.	3	261,363.00
20	Ninas Consultant Services	1	74,410.00
21	Tracey Graham	1	20,625.00
22	Tracy Watson Adkison	1	31,850.00
23	Winter Construction	2	37,470,886.30

Step 4) Email review: We conducted email review using keyword searches, date analytics, and relationship analysis in our e-discovery software, RelativityOne⁷ to identify conversations and supporting documentation related to these vendors and their transactions.

ANALYSIS/FINDINGS

Within this section of the report, we present each of the flagged 23 vendors, in alphabetic order, and our findings related to each vendor in the following format:

Amount paid: The dollar amount paid to the vendor using E-SPLOST funds.

Project: Specific E-SPLOST project(s) for which the vendor was paid.

Timeframe: Contract period, or date of disbursement for E-SPLOST funds.

Data Analytics Results: Flags identified from data analytics performed. We emphasize that analytics were performed on all invoices for E-SPLOST vendors, so some invoices provided as examples may fall outside of the E-SPLOST timeframe.

Other Relevant Findings: Flags of fraud, waste, or abuse identified from invoice, background research, and email review.

Determination: Our conclusion as to whether fraud, waste, and/or abuse occurred.

Although we have performed the analysis as described, it should be noted that the determination of “No evidence of fraud waste or abuse was identified” does not mean with absolute certainty that no fraud, waste, or abuse occurred; but, instead, that evidence was not discovered to support a different determination (as it’s possible the evidence was lost or destroyed). Our analysis resulted in the following:

- Ace Modular Structures (“Ace”)**

Amount paid: \$65,089.00

Projects: 4-512 Henderson MS Renovation/Addition

Timeframe: December 2014 – February 2015

⁷ <https://www.relativity.com>

Data Analytics Results:

- *Sequential invoice numbers:* Two of the three invoices issued were sequential; Ace issued invoice numbers 6966, 6967, and 6969.
- *P.O. Box as address:* Fictitious vendors may be set up with a P.O. Box as its address in order to conceal the actual recipient of the funds.

Other Relevant Findings:

- *No records on Georgia's Secretary of State Website:* A search for Ace Modular Structures and John Kiefer on Georgia's Secretary of State website yielded no results.
- *Residential address:* While the invoice lists a P.O. Box address, background research in CLEAR indicates that the business is at a residential location.
- *Lack of detail in invoices:* Vendor invoices reviewed lacked information we would expect to see in invoices, such as remittance information and a logo.

Determination: No evidence of fraud, waste, or abuse was identified.

Based on email review, it appears the vendor was approved to perform work at Henderson Middle School. In June 2014, the District received quotes and floor plan specifications from the vendor. Shortly after, Ace was approved and contracted by the District. The owner of Ace frequently corresponded with multiple District employees (ex. Brian Albanese and Derji Thomas) about the status of projects at Henderson Middle School. Additionally, the invoices align with the email correspondence and relate to E-SPLOST work performed for the Henderson Middle School renovation.

2. Autaco Development LLC ("Autaco")

Amount paid: \$2,820,456.97

Projects:

<u>Project Number</u>	<u>Project Name</u>	<u>Project Number (cont.)</u>	<u>Project Name (cont.)</u>
4-106	Dresden ES - ADA - Capital Renewal: HVAC, Restroom, Kitchen Equipment, Roofing, Lighting	4-412	Evansdale ES - Capital Renewal - Code Requirements: HVAC, MEP, Water Piping
4-112	Huntley Hills ES - ADA - Capital Renewal - Code Requirements: HVAC, MEP, Restroom, Roofing	4-507	Pleasantdale ES Replacement
4-129	Sequoyah MS - ADA - Code Requirements: Restroom	4-513	Redan HS Renovation/Addition
4-307	Chapel Hill ES - Capital Renewal: HVAC, Roofing	4-801	Fire/Sprinkler/Life Safety Improvements
4-400	Ashford Park ES - Capital Renewal - Code Requirements: HVAC, Kitchen Equipment	5-217	Design New Sequoyah MS & HS
4-401	Avondale ES - Capital Renewal - Code Requirements: HVAC, MEP, WATER PIPING	5-223	Indian Creek ES
4-405	Chesnut ES - Capital Renewal - Code Requirements: HVAC, Roofing		

Timeframe: August 2014 – April 2023

Data Analytics Results:

- *Invoice numbers lower than 100:* Autaco issued invoice numbers A001, A002, A003, and A004.
- *Round dollar invoice amounts:* On May 5, 2017, Autaco invoiced the District \$72,000 related to ramp upgrades to portable classrooms.

Other Relevant Findings:

Employee Address File match to Munis VMF: Autaco matched with a potential relative (Gary Brown) of DCSD employee, Leo Brown.

<u>District Employee</u>	<u>Relative of District Employee</u>	<u>Address of Relative</u>	<u>Vendor</u>	<u>Address of Vendor</u>
Leo Brown	Gary Brown	3099 Washington Rd., Atlanta, GA 30344	Autaco Development LLC	3099 Washington Road, Suite B, East Point, GA 30344

Determination: No evidence of fraud, waste, or abuse was identified.

Leo Brown is listed in the Combined EMF as the Chief Human Capital Officer and does not appear to be involved with E-SPLOST vendor selection. Utilizing CLEAR and web-based searches we performed background research on both Leo Brown and Gary Brown to determine whether connections between these individuals and Autaco exist. Gary Brown is connected to a business called Brown Design Group, which shares an address with Autaco at 3099 Washington Rd. Google Maps Street View shows this is a commercial building with multiple business.

We were unable to find evidence connecting Leo Brown or Gary Brown to Autaco, other than the shared address of a multi-unit building. Additionally, during email analysis, we found extensive correspondence involving multiple individuals concerning Autaco. Multiple District employees were involved in the process of background checks, approvals, project updates, and bidding. At one point, the District was waiting for Autaco to sign an extension of its

contract, and District Finance personnel withheld payments until the contract was completed, rather than pushing payments through inappropriately.

The invoices we reviewed for Autaco confirm discussions in email correspondence and address work done for multiple schools across the District. The invoices provide detailed descriptions about what and where work was performed. Other supporting documentation included bids/quotes from other vendors for projects, in which Autaco was the lowest bidder.

3. B Levett & Company Inc (“B Levett”)

Amount paid: \$464,735.56

Projects:

- 4-002 Southwest DeKalb HS Addition
- 4-135 Former ISC (temporary John Lewis ES)
- 4-211 Buck Godfrey (Panthersville) Stadium - Stadiums
- 4-513 Redan HS Renovation/Addition
- 4-514 Southwest DeKalb HS Renovations
- 4-801 Fire/Sprinkler/Life Safety Improvements

Timeframe: July 2014 – August 2017

Data Analytics Results:

- *Invoice dates used as invoice numbers/sequential invoice numbers:* B Levett’s invoice number format included the year in which services were performed, followed by a series of numbers (ex. yyyy110). As a result, many of the invoices were also sequential, such as 2017001, 2001702, 2017003, etc. through 2017020.
- *Round dollar invoice amounts:* B Levett invoiced \$14,000 on September 8, 2015.

Other Relevant Findings:

- *Invalid address:* The address 4304 Drexel Way, Dunwoody, GA 30346 found on B Levett’s invoices and also recorded with Georgia’s Secretary of State is invalid when searching for the address on Google Maps.
- *Former employee:* B Levett is owned by Gregory Bernard Levett. Mr. Levett appears to have been a Project Manager for the District until 2012. B Levett was not paid until 2014.

Determination: No evidence of fraud, waste, or abuse was identified.

Email analysis revealed multiple District employees were involved in communications with this vendor, including conversations around contract execution, work being performed, and vendor billings. The invoices provide detailed descriptions of what and where work was performed and align with both email correspondence and the E-SPLOST projects with which the vendor is associated. The timing of Mr. Levett’s work as an employee for the District does not overlap with his work as a vendor.

4. Blue Door Networks LLC (“Blue Door”)

Amount paid: \$84,475.58

Projects: 4-700 Infrastructure Refresh


Timeframe: February 2013 – May 2013

Data Analytics Results:

- *Round dollar invoice amounts:* Blue Door invoiced the District for the amounts of \$57,000 and \$29,000 on June 14, 2017, and August 13, 2019, respectively.
- *Duplicate invoice numbers:* Issued on the same date, invoice #12658 is on the District’s invoice register three times, for \$69,810.00, \$117,085.00, and \$10,105.00.

Other Relevant Findings:

- *Lack of web presence:* We were unable to locate a website for Blue Door.
- *Inconsistent invoice details:* The first invoice from Blue Door in February 2013 was one line-item for \$23,780 and lacked details on the specific scope of work performed, including location. This differed from subsequent invoices from this vendor, which listed specific schools where services were performed and totaled specific amounts (i.e., \$493.46 per unit).
- *Generic nature of invoices:* The invoices received from this vendor have a format often used by fictitious vendors and lacked a logo specific to the vendor. An example is shown below:

Blue Door Networks, LLC 555 Herndon Parkway Suite 230 Herndon, VA 20170 Voice: 855-645-4396 Fax: 703-991-8363		INVOICE Invoice Number: 12486 Invoice Date: Feb 15, 2013 Page: 1		
Drop Shipment				
Bill To: Dekalb County Schools 2652 Lawrenceville Highway Decatur, GA 30033		Ship to: Dekalb County Public Schools ATTN: Yvette Perry 2652 Lawrenceville Highway Decatur, GA 30033		
Customer ID	Customer PO	Payment Terms		
BDN129029	1310348	Net 30 Days		
Quote Number	Shipping Method	Ship Date	Due Date	
254-1			3/17/13	
Quantity	Item	Description	Unit Price	Amount
1	Services	Professional service - district wide set-up; stage equipment, inspect, asset tag, test, installation	23,780.00	23,780.00
 RECEIVED MAR 07 2013 BY: <i>[Signature]</i> 3/7/13 <i>[Signature]</i> 3/8/2013				
Subtotal				23,780.00
Sales Tax				
Freight/Insurance				
Payment/Credit Applied				
TOTAL:				\$ 23,780.00
Check/Credit Memo No:				

Determination: No evidence of fraud, waste, or abuse was identified.

We did not identify email conversations specific to this vendor's services while they were being performed. However, we found a conversation from October 2014 discussing vendors expecting to be paid more than \$100,000, which were submitted for BOE approval; we also identified the meeting minutes on the District's website showing the vendor was approved at the November 3, 2014 board meeting. Additionally, Blue Door sent a renewal quote in May 2015 for its services. Therefore, it appears this vendor was approved by the BOE to provide services exceeding \$100,000.

From: Jackie Marshall
Sent: Tuesday, October 14, 2014 4:18 PM
To: Joshua Williams; Gary Brantley
Cc: Lakeisha Brooks; Maria Marquez; Kathleen Howe
Subject: Re: November Board Items Vendor List

Good Afternoon,

I will only need the list of vendors that will be over \$100,000. I do not need the money amount. Please submit those vendors to me by noon tomorrow so that I may put them in eBoard. Thank you for your assistance.

Jackie Marshall
Office Specialist to the Deputy Superintendent for Curriculum and Instruction
DeKalb County School District
1701 Mountain Industrial Blvd.
Stone Mountain, GA 30083
678-676-0731 (Office)
678-676-0229 (Fax)
Email: Jackie_Marshall@dekalbschoolsga.org

RE: November Board Items Vendor List

Sent: Wed 10/15/2014 12:44:37 PM (UTC)

From: Gary Brantley
To: Jackie Marshall, Joshua Williams
CC: Lakeisha Brooks, Maria Marquez, Kathleen Howe

Ackerman
Apple
Blue Door Networks LLC
CDW-G
Carousel
Cogent Communications
Comcast Communications
Covendis Technologies
Educational Funding Group
Fluke Networks
Gartner
IBM
ICN
ParentLink
Prosys
Technology Integration Group
Virtucom
At&t

Gary Brantley
DeKalb County School System
Chief Information Systems Officer
678-676-1194 - Office
gary_l_brantley@fc.dekalb.k12.ga.us

5. **Brandon W Silvera (“Silvera”)**

Amount paid: \$15,190.00

Projects: 4-710 Technology Equipment

Timeframe: February 2014 – June 2014

Data Analytics Results:

- *Invoice dates used as invoice numbers:* Invoice dates used as invoice numbers is a characteristic sometimes found on fictitious invoices and/or used by fictitious vendors. The invoice number data in Cross Point

indicates this vendor used dates as its invoice numbers; however, we were unable to locate the actual invoices to confirm this.

Other Relevant Findings:

- *Unable to locate invoices:* We were unable to locate invoices from Silvera.
- *Lack of web presence:* We were unable to locate evidence of a registered company or website related to Silvera. Additionally, we could not find social media related to this individual.

Determination: Unable to make a determination due to limited information.

The lack of supporting documentation and length of time since this payment occurred restricted our ability to analyze payments to this vendor. During email review, we identified a vendor information sheet indicating Silvera was an employee receiving payments for the reimbursement of employee travel:

We were unable to locate and review the supporting documentation to identify the nature of the reimbursements or if they were properly supported.

Vendor Information Sheet	
Submitted By	Dawn M. Robinson
Phone Number	678.676.1127
Date	12/08/14
Name	
Vendor Name	Brandon W. Silvera
Vendor Doing Business As (DBA)	
Vendor E-mail Address	
Vendor Phone #	678.438.6770
Vendor Fax #	
Purchase Order Address	
Vendor Address1	3108 Buford Hwy NE
Address2	Apt. D
Address3	
City, State, ZIP	Atlanta, GA, 30329
Remit Address	
Vendor Address1	3108 Buford Hwy NE
Address2	Apt. D
Address3	
City, State, ZIP	Atlanta, GA, 30329
Vendor Description	
You must indicate below whether this vendor is providing products or services and a brief description.	
<input type="radio"/> Products	Description
<input type="radio"/> Services	
<input type="radio"/> Registrations	
<input checked="" type="radio"/> Reimbursement	Employee Travel
<input type="radio"/> Worker's Comp	
Federal	
EIN/SSN	2014-9200
EIN/SSN Name	Brandon W. Silvera
Vendors providing services CANNOT be added without receipt of W9 and ICA forms. Fax the completed W9 and ICA forms to Lakecia Watkins in the Purchasing Department. Fax: 878-878-0283	
PLEASE EMAIL THIS COMPLETED FORM TO LAKECIA WATKINS.	
Separate Check (Optional)	
<input type="checkbox"/> CODE A 8 SEPARATE CHECK	

6. Burwyn Associates (“Burwyn”)

Amount paid: \$15,518.50

Projects: 4-904 Program Consultants

Timeframe: January 2016

Data Analytics Results:

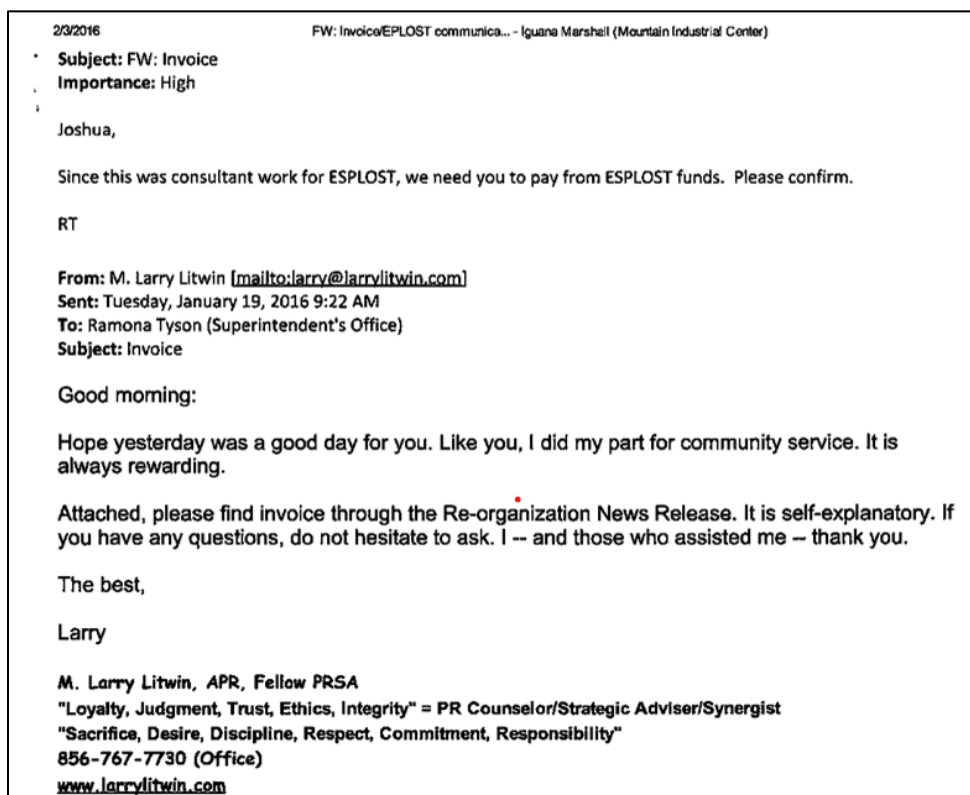
- *Invoice dates used as invoice numbers:* Burwyn issued invoice numbers such as “2016-00701”.
- *Invoice numbers lower than 100:* Burwyn also issued invoice number “DCSD-0001”.

Other Relevant Findings:

- Lack of web presence: We were unable to locate evidence of a registered company or website for Burwyn.

Determination: No evidence of fraud, waste, or abuse was identified.

In January of 2016, emails between DCSD employees Joshua Williams and Ramona Tyson indicate this vendor was used as a consultant for E-SPLOST. Burwyn was approved by Nina Gupta as an exception under BOE policy for professional services as seen below. We did not identify communications or background research between Burwyn and Ms. Gupta indicating inappropriate approval under the professional services exception.



2/3/2016 FW: Invoice/EPLOST communica... - Iguana Marshall (Mountain Industrial Center)

Subject: RE: Invoice

Attached is the fee schedule (proposal) Litman submitted when he was used for the PR development around the reorg. Nina Gupta cleared him as an exception under board policy DJE, "professional services", and under page 2, Part II, B, Section 3, there are examples of professional services which includes public relations professionals. Additionally, on page 4, Section B, number 4, provides the vehicle for awarding in the best manner best suited ...

Nonetheless, I will get Nina to re-confirm we can continue to use this services to a cap of \$99K.

We paid him \$3800 for the PR work under the ReOrg.

RT

From: Joshua Williams (Operations)
Sent: Wednesday, January 27, 2016 4:00 AM
To: Ramona Tyson (Superintendent's Office)
Cc: Alicia DelMoral (Superintendent's Office); Michael Bell (Finance); Daniel Drake (Operations)
Subject: RE: Invoice

Good Morning Mrs. Tyson,

Thanks for forwarding the email. I will give you a call or stop by this morning to discuss.

Respectfully,

Joshua L. Williams, MBA, MSM, PMP
 Chief Operating Officer
 Division of Operations
 DeKalb County School District
 1780 Montreal Road - Tucker, GA 30084
 678-676-1446 (O) | 678-676-1350 (F)
joshua_l_williams@dekalbschoolsga.org

The point of contact for Burwyn was M. Larry Litwin, who performed consulting work for the District. His website, <http://www.larrylitwin.com/>, has a reference to Burywn Associates as contact information.

The invoices we reviewed provide details relating to strategic communication and planning of E-SPLOST-related communications. Invoice details include dates of services provided, descriptions of work performed, the District employees involved, and the length of time spent for each task. The services provided to the District appear to relate to E-SPLOST and seem reasonable.

7. Celebrity Fence Co. ("Celebrity")

Amount paid: \$406,588.00

Projects: 5-111 Fence installation A

Timeframe: June 2021 – August 2021

Data Analytics Results:

- *Invoice numbers lower than 100:* Originally, our analytics flagged this vendor as having an invoice #2 for \$164,408.80. However, the District incorrectly recorded the invoice number causing a false positive result

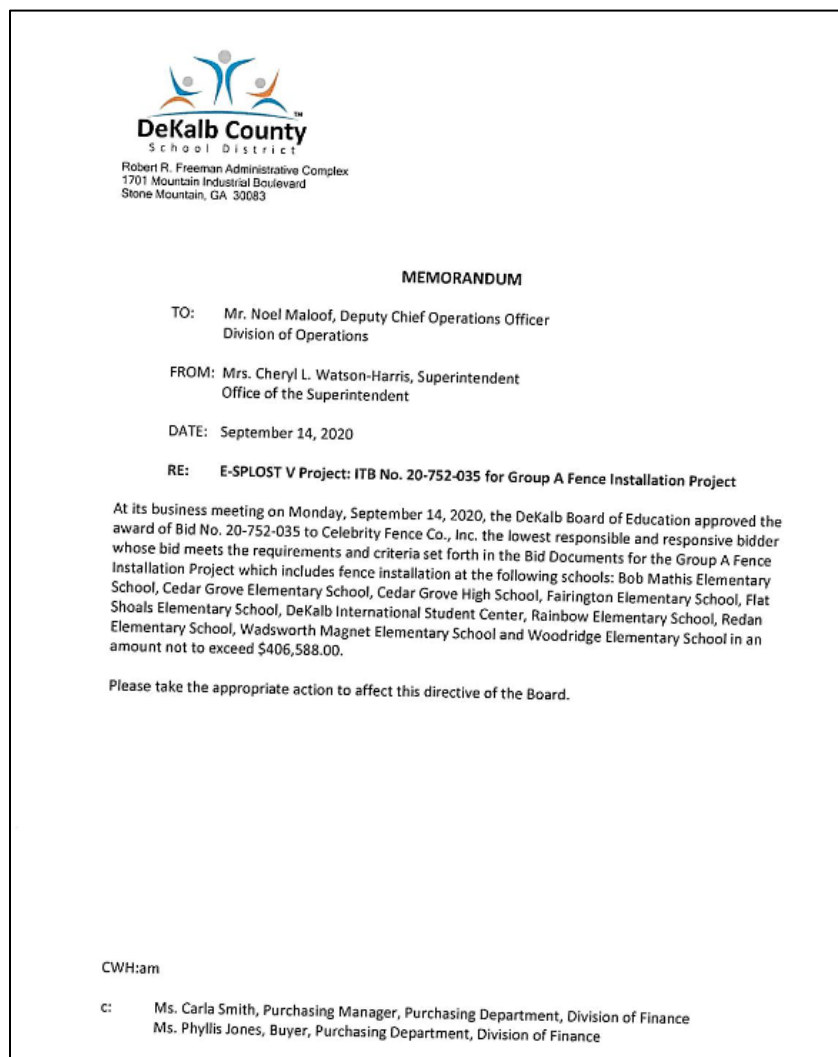
within our analytic. Upon reviewing the invoice, we found the invoice number to be #1346. It is important for DCSD employees to properly maintain accounting records and input information into the system.

Other Relevant Findings:

- *Lack of web presence:* We were unable to locate a website for Celebrity.
- *Residential Address:* According to Google Maps, the address listed on the vendor's invoices is residential (3736 George Washington Dr, Ellenwood, GA 30294).
- *Bid Tabulation Sheet:* Based on the bid tabulation sheet for Project 5-111, Celebrity was the only vendor to bid on this fencing project.

Determination: No evidence of fraud, waste, or abuse was identified.

Our email review uncovered conversations and documentation related to approvals for Celebrity. On September 14, 2020 the BOE approved Celebrity Fence Co. to install fences for multiple schools.



In addition to this, in October 2020, Celebrity Fence Co. received legal review and approval from GDCR Attorneys at Law and signatures from the Superintendent.

10/27/2020 Mail - Darlene Hughes (Mountain Industrial Center) - Outlook

RE: Request for Legal Review - Group A Fence Installation - Celebrity Fence Co.

George Kleeman <gkleeman@gdcrlaw.com>
Mon 10/26/2020 9:34 AM

To: Darlene Hughes (Mountain Industrial Center) <darlene_hughes@dekalbschoolsga.org>
Cc: Noel Maloof (Dept of Facilities & Operation) <Noel_Maloof@dekalbschoolsga.org>; Toney Blackmon (Mountain Industrial Center) <toney_blackmon@dekalbschoolsga.org>; Belinda Quillet (Mountain Industrial Center) <belinda_quillet@dekalbschoolsga.org>; Cadesha West (Employee Relations) <Cadesha_West@dekalbschoolsga.org>; Maria Marquez (DEPT OF FACILITIES & OPERATION) <Maria_Marquez@dekalbschoolsga.org>; Jordan Dailey <jdailey@gdcrlaw.com>

ALERT/ATTENTION: This email originated from outside the DeKalb County School District. Do not click links, open attachments or reply unless you recognize the sender and know the content is safe. **Please FORWARD** any suspicious emails to **dcspdspam @ dekalbschoolsga.org** so that an investigation can be started if needed.

Darlene,

We have reviewed the proposed Fixed Price Design and Construction Contract with Celebrity Fence Co., Inc. for the Group A Fence projects, and supporting documents. We have no objection, from a legal perspective, with the presentation of the Contract to the Superintendent for execution as required by Policy DJE.

As always, please let us know if you have any additional questions, thoughts or concerns and we will be happy to discuss with you at your convenience. Thanks,

George

C. George Kleeman, IV | Member


GDCR ATTORNEYS AT LAW

49 Atlanta Street | Marietta, GA 30060
678.784.3551 direct | 770.422.1776 office | 770.426.6155 facsimile
gkleeman@gdcrlaw.com | www.gdcrlaw.com

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Signature Routing Form

COS Initials: LSJ



For Superintendent's Approval/Signature

Date: Wednesday, October 28, 2020

Division Head: Noel Maloof (Operations) Initials: W

Purpose: Superintendent & BOE Approvals/Signatures

Other: [Click here to enter text.](#)

Title of Document: Contract – Celebrity Fence Co. – Group A Fence Installation - \$406,588.00

From (if other than Division Head): [Click here to enter name & department.](#)

Legal Review: NO YES

BOE Approval: NO YES

Notes: Contract – Celebrity Fence Co. – Group A Fence Installation - \$406,588.00

Delivered By Heidi Tyn Date/Time 10/28/20 9:42am

Received By [Signature] Date/Time 10/28 10:25am

DEADLINE and DUE BY AREAS ARE FOR URGENT ITEMS ONLY

Deadline: Choose an item.

Due by: [Click here to enter a date.](#)

Return documents to: Darlene Hughes, ext.61711

Delivered by Lucas Moore 11/11/20 11:00am

For Superintendent's Office Use Only

Date received: 10/28 **Date returned:** 11-9-20 **Processor's Initials:** Sme

M. Marquez 11/11/20 11:30

This vendor appears to have followed proper approval channels. The invoices also outline the location, number of fences installed, and unit price per fence. Additionally, the total expenditures associated with Celebrity Fence Co. amount to \$406,588, which conforms to the contracted amount.

8. Century Music Center (“Century”)

Amount paid: \$538,464.27

Projects: 5-521 Music Instruments

Timeframe: November 2019 – May 2023

Data Analytics Results:

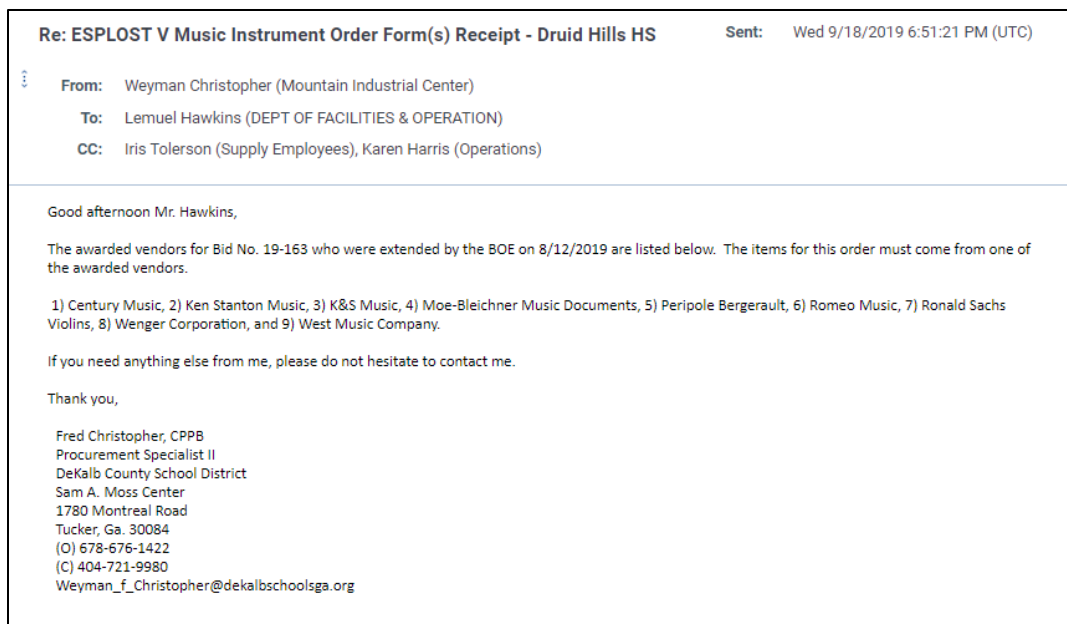
- *Vendor was not included in the District's Munis VMF:* Upon initial testing, Century did not appear on the Munis VMF. However, invoice review indicated that Century is a dba for John Mullins, who is listed on the Munis VMF with Century in the respective dba column of the Munis VMF.
- *Invoice number anomalies:* Many of Century's invoices were sequential. For example, on January 30, 2023 and January 31, 2023, invoice numbers 11108 through 11116 were issued. Nearly a week later, on February 6, 2023, invoice numbers 11117 through 11119 were issued, indicating Century had no customers in between the District's purchases. In addition, invoices were issued out of sequence. For example, invoice #10989 was dated October 7, 2021, while invoice #10990 was dated September 6, 2021.

Other Relevant Findings

- *No website:* Although we were able to find Century Music Center listed in Google Maps, there was no website associated with the business.

Determination: No evidence of fraud, waste, or abuse was identified.

The vendor was approved by the BOE prior to issuing its first invoice. According to an email from Fred Christopher in September 2019, Century was included in a list of awarded vendors for Bid no. 19-163.



Each of the other awarded vendors were also paid with E-SPLOST funding, indicating that this vendor was not used as the sole sourced for musical instrument purchases. Invoices indicated amounts paid were for the purchase of

musical instruments, equipment, and accessories at DCSD. In addition, the invoices indicate which location the goods were sent.

9. Clean-A-Blind of Atlanta (“Clean-A-Blind”)

Amount paid: \$87,285.00

Projects:

- 4-135 Former ISC (temporary John Lewis ES)
- 4-511 Coralwood Diagnostic Center Addition
- 5-368 Laurel Ridge ES

Timeframe: July 2021 – March 2022

Data Analytics Results:

- *Round Dollar Amounts:* Clean-A-Blind submitted an invoice for the round dollar amount of \$4,000 in 2019.
- *Invoice dates used as invoice numbers:* Nearly all of Clean-A-Blind’s invoices have the number format MM-DD, which correlate to the date of the invoice.
- *Vendor was not included in the District’s Munis VMF:* Upon initial testing, Clean-A-Blind did not appear on the Munis VMF. However, invoice review indicated this is a dba for Charles Ross, who is listed on the Munis VMF with Clean-A-Blind of Atlanta, LLC in the respective dba column.

Other Relevant Findings:

- *No website:* We were unable to locate a website associated with this vendor.
- *Residential Address:* According to Google Maps, the address listed on the vendor’s invoices is residential; this address is also different than the address in the Munis VMF.
- *Invoice anomalies:* The vendor’s invoices have several characteristics shared with fictitious invoices, including the logo covering half of the contact information, misaligned dollar signs, inconsistent font/formatting, etc.

Determination: No evidence of fraud, waste, or abuse was identified.

There are multiple emails involving the owner of Clean-A-Blind, Charles Ross, discussing jobs with varying District employees. The email correspondence directly correlates to the E-SPLOST project spend, and the invoices show line-item details for each item purchased and where they were installed.

For example, the District was invoiced \$7,390.00 associated with new blinds installed at Coralwood School. Clean-A-Blind is listed in the project spend detail for project 4-511, Coralwood Diagnostic Center Addition. Email correspondence exists in which Charles Ross confirms receipt of the PO and placed the order for the custom blinds a few weeks before installation.

Re: [EXTERNAL]Re: clean a blind Coralwood Sent: Thur 6/24/2021 4:18:44 PM (UTC)

From: Eno Aboagye-Atta (Operations)
To: Charles57 Ross

Thanks so much! Much appreciated.

Eno Atta LEED AP, PMP,[®]CCM
Deputy Program Director
AECOM CIP Team | DCSD SPLOST V CIP Program
Sam Moss Center | 1780 Montreal Road | Tucker, GA 30084
(C) 404-784-2860 (D) 678-676-1420
C08041501@dekalbschoolsga.org | eno.atta@aecom.com

From: Charles57 Ross <cleanablind34@gmail.com>
Sent: Thursday, June 24, 2021 12:13 PM
To: Eno Aboagye-Atta (Operations) <Eno_Aboagye-Atta@dekalbschoolsga.org>
Subject: [EXTERNAL]Re: clean a blind Coralwood

ALERT/ATTENTION:
Please use the Junk/Phishing reporting feature in your Outlook Email to report any suspicious emails so that an investigation can be started if needed.

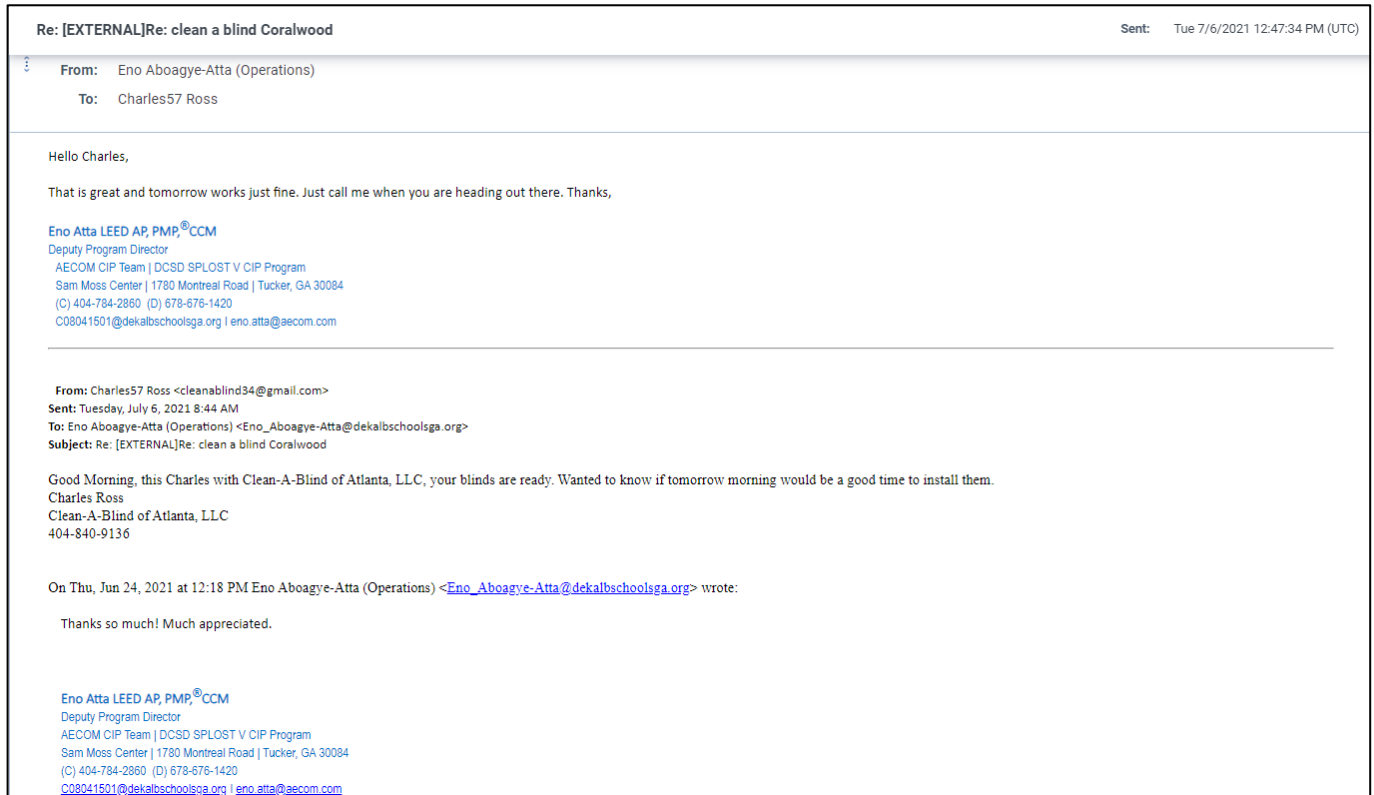
Good Afternoon Ms. Aboagye-Atta, I received the P.O.# and have placed the order for the blinds. As I mention It will take 7 to 10 working days for the order to be completed. Thank you for the opportunity.
Charles Ross
Clean-A-Blind of Atlanta, LLC
404-840-9136

On Thu, Jun 24, 2021 at 12:06 PM Eno Aboagye-Atta (Operations) <Eno_Aboagye-Atta@dekalbschoolsga.org> wrote:

Charles,
Please see attached per our conversation a couple of minutes ago and please let me know when you can start the install. Thanks for your help.

Eno Atta LEED AP, PMP,[®]CCM
Deputy Program Director
AECOM CIP Team | DCSD SPLOST V CIP Program
Sam Moss Center | 1780 Montreal Road | Tucker, GA 30084
(C) 404-784-2860 (D) 678-676-1420
C08041501@dekalbschoolsga.org | eno.atta@aecom.com

We identified additional email correspondence between the project manager, Eno Aboagye-Atta, and the vendor in which they discuss the install a few days before the invoice is sent.



Additionally, we reviewed the other two (2) invoices and related POs for this vendor. We found the PO requests, which were for ISC, Coralwood, and Laurel Ridge locations, matched the amounts invoiced to and paid by the District. The supporting documentation maintained by the District for the \$48,785.00 purchase also contains a competitor's competing bid of \$53,130.00.

The single largest line-item was for 119 aluminum mini blinds sized 89.25 x 81 for \$280 per blind. We compared pricing online to www.blinds.com and found comparable prices.

10. Compass Environmental Inc. ("Compass")

Amount paid: \$140,233.13

Projects:

Project Number	Project Name	Project Number (cont.)	Project Name (cont.)
4-002	Southwest DeKalb HS Addition	4-418	Livsey ES - Capital Renewal - Code Requirements: Roofing, HVAC
4-003	Warren Tech HVAC	4-421	Montclair ES - Capital Renewal - Code Requirements: HVAC, Water Piping Electrical
4-111	Hambrick ES - ADA - Capital Renewal - Code Requirements: HVAC, Restroom, Water Piping, Lighting	4-422	Oak Grove ES - Capital Renewal - Code Requirements: HVAC, Electrical, Restroom, Water Piping, Kitchen Equipment
4-112	Huntley Hills ES - ADA - Capital Renewal - Code Requirements: HVAC, MEP, Restroom, Roofing	4-424	Pine Ridge ES - Capital Renewal - Code Requirements: HVAC, Roofing, Lighting
4-114	Indian Creek ES - ADA - Capital Renewal - Code Requirements: HVAC, Restroom, Roofing	4-425	Rainbow ES - Capital Renewal - Code Requirements: HVAC, Roofing, Electrical, Water Piping
4-116	Kelley Lake ES - ADA - Capital Renewal - Code Requirements: HVAC, MEP, Restroom, Roofing, Kitchen Equipment, Cooling Tower	4-501	Austin ES Replacement
4-117	Kingsley ES - ADA - Capital Renewal: HVAC, MEP, Restroom, Roofing	4-503	Fernbank ES Replacement
4-120	Meadowview ES - ADA - Capital Renewal: HVAC, Roofing, Restroom	4-504	Gresham Park ES Replacement
4-121	Midvale ES - ADA - Capital Renewal: HVAC, Kitchen Equipment, Roofing, Restroom	4-505	McNair MS Replacement
4-122	Miller Grove MS - ADA - Capital Renewal: HVAC, MEP, Restroom, Roofing, Kitchen Equipment	4-506	Peachcrest ES Replacement
4-123	Montgomery ES - ADA - Capital Renewal: HVAC, Roofing, Restroom	4-507	Pleasantdale ES Replacement
4-126	Redan ES - ADA - Capital Renewal: HVAC, Roofing, Restroom, Kitchen Equipment, Cooling Tower	4-508	Rockbridge ES Replacement
4-130	Stone Mill ES - ADA - Capital Renewal - Code Requirements: HVAC, Roofing, Restroom, Electrical	4-511	Coralwood Diagnostic Center Addition
4-132	Toney ES - ADA - Capital Renewal: HVAC, Roofing, Restroom	4-514	Southwest DeKalb HS Renovations
4-304	Cedar Grove MS - Capital Renewal: HVAC, Plumbing	4-515	Stone Mountain HS Renovations
4-330	Stone Mountain ES - Capital Renewal: HVAC, Roofing	4-905	Demolition - Demolition
4-333	Towers HS - Capital Renewal: Roofing	5-214	New Cross Keys HS
4-400	Ashford Park ES - Capital Renewal - Code Requirements: HVAC, Kitchen Equipment	5-222	New ES for Cross Keys North
4-403	Brockett ES - Capital Renewal - Code Requirements: HVAC, Kitchen Equipment, Roofing, ME, Lighting	5-223	Indian Creek ES

Timeframe: April 2013 – August 2020

Data Analytics Results:

- *Duplicate invoice numbers:* The vendor issued invoice #6937 and #6 937 in August 2017 for \$1,230.00 and \$502.20 respectively. We were only able to obtain invoice #6 937, as it related to E-SPLOST construction spending spend while the other (#6937) did not and, therefore, followed a different retention policy.
- *Number of projects:* Of the vendors with flagged transactions in our data analytics, Compass was involved with the most projects. This could, in theory, be used as a method to allocate inappropriate costs without raising budget concerns in any single project.

Other Relevant Findings:

- *No website:* We were unable to locate a website associated with this vendor.

Determination: No evidence of fraud, waste, or abuse was identified.


This vendor appears to have been contracted by the District to update the District’s AHERA (Asbestos Hazard Emergency Response Act) inspection report and management plans in all DCSD buildings. DCSD contracted this


vendor to work at an estimated 162 District buildings, which explains the volume of E-SPLOST project numbers associated with Compass. There is email correspondence indicating discussions about fees, services, etc., and supporting documentation indicates the services were performed.


Email correspondence in August 2014 between Pam Hogue, an industrial hygienist at Compass Environmental, and Joshua Williams and Demetrius Blount from DSCD discuss the proposals for this project:

Compass Environmental proposals - Chamblee High School Sent: Wed 8/6/2014 5:05:28 AM (UTC)

From: Pam Hogue [phhogue@Compass Environmental]
To: Joshua L. Williams [Joshua_L_Williams@fc.dekalb.k12.ga.us]
CC: DEMETRIUS BLOUNT [DEMETRIUS_BLOUNT@fc.dekalb.k12.ga.us]

 Attach0.html
6.1 KB

 Chamblee HS AHERA MP update.pdf
48.4 KB

 Chamblee HS Phase 2 NESHAP survey.pdf
130.7 KB

Mr. Williams -

Thank you for taking the time to speak with me last Friday regarding some issues you are having at Chamblee High School. As per our conversation, I have attached two proposals. The first proposal is to update your AHERA Inspection Report and Management Plan only for Chamblee High School. The second proposal is to complete a NESHAP survey and provide a report for Phase II of the Chamblee High School demolition/renovation project.

Additionally, we discussed the proposals that I had previously submitted to Mr. Demeterius Blount to update the AHERA inspection report and management plans of all of the DeKalb County School buildings. This was estimated at 162 buildings. The proposal of \$234,333.00 included historical data review of each school's records, drive time to the school, re-inspection of each school's friable and non-friable asbestos-containing materials (ACMs), re assessment of these ACMs, updating the management plan book with the necessary paperwork forms from the 3 year re inspection and completing the GA Department of Education forms. The second proposal for \$429,056 included all of the above items with the addition of sampling suspect asbestos-containing building materials that were not sampled in the previous or original inspection. Fifty (50) samples were budgeted per school as walking through each school to determine an exact amount did not seem prudent. As has always been the case with Compass, DeKalb County Schools would only be charged for those actual samples taken and analyzed. The management plans would then be updated with the new sampling information and assessments would be given for any materials found to contain asbestos. Additionally, the GA Department of Education forms would be completed to include this information.

I hope this helps to clarify what was included in the Compass Environmental proposals for updating the AHERA Inspection Reports and Management Plans for DeKalb County Schools.

If you have any questions or need additional information, please do not hesitate to contact me. My cell phone # is 770-815-1640.

Pam

--
Pamela H. Hogue
Industrial Hygienist
Compass Environmental, Inc.
1751 McCollum Parkway NW
Kennesaw, GA 30144
Phone: [770-499-7127](tel:770-499-7127)
Fax: [770-423-7402](tel:770-423-7402)

DCSD employees also held bid meetings with other firms for the same work:

Bid Meetings for AHERA Inspection Sent: Wed 8/6/2014 5:49:18 AM (UTC)

From: JACQUELINE M. CHAMBERS [JACQUELINE_M_CHAMBERS@fc.dekalb.k12.ga.us]
To: JACKIE W. BOYD [JACKIE_W_BOYD@fc.dekalb.k12.ga.us], BETTIE KEY [BETTIE_KEY@fc.dekalb.k12.ga.us]
CC: DEMETRIUS BLOUNT [DEMETRIUS_BLOUNT@fc.dekalb.k12.ga.us], Joshua L. Williams [Joshua_L_Williams@fc.dekalb.k12.ga.us]

Mr. Boyd / Ms. Key:

Mr. Blount is requesting your presence in the following meetings to assist with gaining knowledge of the bidding process for an AHERA Inspection.

Schweiger : Thursday, Dec. 6th, 1pm - 2pm
 ATC Services: Monday, Dec. 10th, 10:30-11:30am
 Penta Engineering: Tuesday, Dec. 12th, 10-11am

Please confirm your availability.

Respectfully,

Jacqueline Chambers, MSL
 Executive Assistant, Facilities Management
 Direct line: (678) 676-1580
 Fax: (678) 676-1469
 Email: jacqueline_m_chambers@fc.dekalb.k12.ga.us

"Genuine leadership comes from the quality of your vision and your ability to spark others to extraordinary performance." — Jack Welch: Former General Electric chairman and CEO.

Throughout the year, Compass and District staff communicated extensively about processes and results of the above tests. There were also communications regarding a mandatory asbestos training for the District's Operations staff facilitated by Compass:

Mandatory DCSD Training Sent: Fri 8/21/2015 11:15:19 PM (UTC)

From: Nikki Goodson (Mountain Industrial Center)
To: Joshua Williams (Operations), Toney Blackmon (Mountain Industrial Center), Joyce Wimberly (Operations), Debra Henson (Operations), Daniel Drake (Operations)
CC: Maria Marquez (Operations), Alicia Payton (Operations), Brenda Rowan (Operations), Kimberley Collins (Mountain Industrial Center)

Good Evening,

Please forward the below notification of the mandatory PSC Code of Ethics, Asbestos and DSCD Harassment and Bullying training to your staff.

Best Regards,
 Nikki Goodson

Good Morning Team,

Each year, all district employees must complete mandatory training on the Professional Standards Commission's Code of Ethics, as well as the DeKalb County Board of Education Policy GAEB --Harassment and the Superintendent's Administrative Regulation on Harassment and Bullying.

Additionally, in an effort to comply with the Asbestos Hazardous Emergency Response Act (AHERA) guidelines, the Operations Division will also conduct a mandatory asbestos training. Pam Hogue, with Compass Environmental, will provide information regarding asbestos regulations.

Please plan to attend this **mandatory training**. Each employee will receive two and a half (2.5) hours of Professional Development training. Your attendance will be entered in PD Planner after the training has been completed.

SESSION	TIME	LOCATIONS	GROUP
Tuesday, August 25 th	7:15am-9:45am	Stokes Conference Room	Facilities and Warehouse Dept.
Tuesday, August 25 th	1:00pm-3:30pm	Stokes Conference Room	School Nutrition & Operations Office Staff* (Facilities and Warehouse Dept. Makeup)
Thursday, August 27 th	1:00pm-3:30pm	AIC: Human Resources	AIC Custodial Staff and Copy Center (Facilities and Warehouse Dept. Makeup)

*Office staff can assess the links from their workstations, however, must report to the Asbestos Training at 1:00pm on August 25th

Invoices contain expense details categorized as “professional fees”, “laboratory fees”, and “other expenses”. These three categories are itemized in detail with dates of services, hours spent, description of services, and hourly rates; the invoices appear reasonable.

11. Construction Consulting Services Inc (“Construction Consulting”)

Amount paid: \$93,125.00

Projects: 4-801 Fire/Sprinkler/Life Safety Improvements

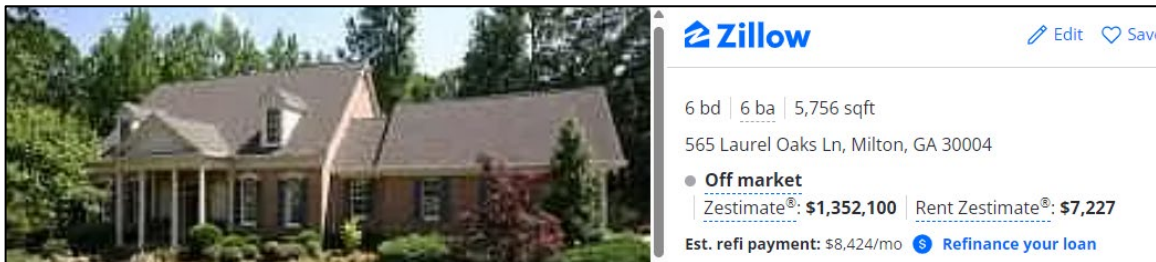
Timeframe: May 2017 – August 2017

Data Analytics Results:

- *Invoice dates used as invoice numbers:* Construction Consulting included the year of service in its invoice numbers, resulting in invoice numbers such as “20170135”.

Other Relevant Findings:

- *Residential Address:* According to Google Maps, the address listed on the vendor’s invoices is residential, and is a substantial home:



- *No website:* We were unable to locate a website associated with this vendor.


Determination: No evidence of fraud, waste, or abuse was identified.

Although there was little web presence for this vendor, it was incorporated in the State of Georgia in 1988 and remains active/in compliance:

BUSINESS SEARCH	
BUSINESS INFORMATION	
Business Name: CONSTRUCTION CONSULTING SERVICES, INC.	Control Number: J818052
Business Type: Domestic Profit Corporation	Business Status: Active/Compliance
Business Purpose: NONE	
Principal Office Address: 16206 Henderson Road, Milton, GA, 30004, USA	Date of Formation / Registration Date: 9/19/1988
State of Formation: Georgia	Last Annual Registration Year: 2024

Emails and invoices show DCSD contracted with this vendor to conduct evaluations of the District’s modular units in compliance with the Georgia Department of Community Affairs.

The vendor sent approved plans, inspections reports, and re-manufacturing applications to the District, and the Georgia Department of Community Affairs approved a re-manufacturing plan with Construction Consulting listed as the agency on May 17, of 2017.

GA Dept. of Community Affairs	6/19/2017	Application #, 40837
 GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS RE-/MANUFACTURER'S APPLICATION FOR APPROVAL <small>Applicants Should Complete All Items (I-VII)</small>		
I. TYPE OF APPLICATION: <input type="checkbox"/> BUILDING SYSTEM <input type="checkbox"/> QUALITY CONTROL PROGRAM <input type="checkbox"/> MODEL No. <u> 8 </u> <input checked="" type="checkbox"/> RE-MANUFACTURE PLAN No. <u> 2667 </u>	SUBMITTED FOR: <input type="checkbox"/> APPROVAL <input type="checkbox"/> REVISION <input type="checkbox"/> RENEWAL <input type="checkbox"/> FILE FOR RECORD	DEPARTMENT USE ONLY APPLICATION: _____ DATE: _____
II. IDENTIFICATION Name of Re-/Manufacturer & Rep. <u>DeKalb County School District, Alin Hubert Owens</u> Telephone <u>(678) 676-1431</u> Address <u>Sam A. Moss Center 1780 Montreal Road Tucker GA 30084</u> Location of Re-Mfg. Site or Mfg. Plant <u>SAME</u> E-mail Address Manuf.: <u>hubert_owens@dekalbschools.ga.gov</u> E-mail Address Agency: <u>ccsiengr@belsouth.net</u> Name of Evaluation Agency & Rep. <u>CONSTRUCTION CONSULTING SERVICES, INC. JERRY HOPKINS</u> Name of Inspection Agency & Rep. <u>CONSTRUCTION CONSULTING SERVICES, INC. JERRY HOPKINS</u>		
III. DOCUMENTS SUBMITTED: <input checked="" type="checkbox"/> Plans <input type="checkbox"/> Specs <input type="checkbox"/> Test Data <input type="checkbox"/> Quality Control <input type="checkbox"/> Calculations (type) _____ <input type="checkbox"/> Other (specify) _____		
IV. DESCRIPTION OF INDUSTRIALIZED BUILDING A. Type of Unit: <input checked="" type="checkbox"/> Three Dimensional Unit <input type="checkbox"/> Core Unit <input type="checkbox"/> Component B. Principal Construction Material: <input checked="" type="checkbox"/> Wood <input type="checkbox"/> Concrete <input type="checkbox"/> Masonry <input checked="" type="checkbox"/> Steel <input type="checkbox"/> Other (specify) _____		
V. CLASSIFICATION OF BUILDING BY OCCUPANCY (See Chapter 4 NFPA 101) A <input type="checkbox"/> Assembly B <input type="checkbox"/> Business E <input checked="" type="checkbox"/> Education F <input type="checkbox"/> Factory/Industrial I <input type="checkbox"/> Institutional M <input type="checkbox"/> Mercantile S <input type="checkbox"/> Storage H <input type="checkbox"/> Hazardous R1 <input type="checkbox"/> Hotel/Transient R2 <input type="checkbox"/> Multi-Family Dwelling R3 <input type="checkbox"/> 1 & 2 Family Dwelling DC <input type="checkbox"/> Daycare R4 <input type="checkbox"/> Board & Care, Assisted Living U <input type="checkbox"/> Utility		
VI. CLASSIFICATION OF BUILDING BY CONSTRUCTION TYPE <input type="checkbox"/> Sprinkled <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> Type I <input type="checkbox"/> Type II <input type="checkbox"/> Type III <input type="checkbox"/> Type IV <input checked="" type="checkbox"/> Type V		
VII. SIGNATURES <i>This is to certify that the BUILDING SYSTEM / MODEL / DATA conforms to the Georgia Rules for Industrialized Buildings and currently adopted codes.</i> Signature (Agency's Architect or Professional Engineer) _____ Date <u>17 MAY 2017</u> Signature of Applicant (Manufacturer or Agent) _____ Date <u>5/17/17</u>		
VIII. DEPARTMENT USE ONLY <input type="checkbox"/> Returned for correction and/or additional information (see attached) Date _____ <input type="checkbox"/> Approved <input type="checkbox"/> Approved as noted (see attached) Date _____ Signature of DCA Official _____ Comments: _____		

On May 24, 2017, Construction Consulting provided a memo to the Georgia Department of Community Affairs approving the District's compliance with state guidelines.



Construction Consulting Services, inc.

O | 770.475.1027 ccsiengr@bellsouth.net
686 Laurel Oaks Lane
Suite B100
Milton, GA 30004

Structural and Geotechnical Engineering
Forensic Studies
Building Code Analysis
Inspections
Building Sciences

www.ccsiengineers.com

May 24, 2017

Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, GA 30329-2231

**Re: DeKalb County School District
Modular Building, 2667**

Georgia Department of Community Affairs:

The above referenced project has been observed and approved as complying with the State of Georgia Department of Community Affairs requirements for modular buildings. Destructive or invasive testing was not performed. The evaluation and approval was based on visual observations.

The plans for the buildings have been transmitted to the DCA email mailbox.

If you should have any additional questions, please feel free to contact me.

Regards,

Jerry W. Hopkins, Pres.
Construction Consulting Services, Inc.

12. Cooper & Co General Contracting (“Cooper”)

Amount paid: \$25,459,376.31

Projects: 4-513 Redan HS Renovation/Addition, 4-515 Stone Mountain HS Renovations

Timeframe: September 2014 – December 2019

Data Analytics Results:

- *Invoice numbers lower than 100:* Cooper followed an invoice number pattern of “01-RHS, 02-RHS, 03-RHS etc.”
- *Sequential invoice numbers:* As noted above, Cooper’s invoices followed a sequential pattern of “01-RHS, 02-RHS, 03-RHS etc.”
- *Round Dollar Amounts:* In September of 2017, Cooper invoiced the District for the round dollar amount of \$60,000.
- *Invoice dates as invoice numbers:* Cooper invoiced the District for \$148,133.50 with the invoice number “#18-JANUARY 2018”.

Other Relevant Findings:

- *Employee Address File match to Munis VMF:* Cooper matched with a potential relative (Mark Collins) of DCSD employee, Kimberley Collins.

District Employee	Relative of District Employee	Address of Relative	Vendor	Address of Vendor
Kimberley Collins	Mark Collins	304 Tribble Gap Rd. #100, Cumming, GA 30040	Cooper & Co. General Contractors	304 Tribble Gap Rd. #100, Cumming, GA 30040

Determination: No evidence of fraud, waste, or abuse was identified.

Kimberly Collins is an Administrative Assistant in Planning per the District’s EMF. In this position, she would have limited ability to approve/influence vendor selection. It is also unclear how closely related she is to Mark.

When performing additional research on Mark Collins, including internet and CLEAR, the address is loosely associated with him from one Experian report, but there is no evidence of a connection to Cooper, specifically. He appears to own a construction industry-adjacent company called CollinsRSS, which is not an E-SPLOST vendor. As a result, we are unable to find evidence of a business connection with Kimberly, Mark, or Cooper. There are several emails related to payment status, contracts, and project updates involving multiple District employees.

The invoices submitted by Cooper are *Payment Applications*, which are commonly sequentially numbered as an industry norm. Additionally, invoice “#18-JANUARY 2018” was supported by a pay application, project continuation sheet, and a certificate of services performed.

13. Donald Camp Inc. (“Donald Camp”)

Amount paid: \$395,539.98

Projects:

- 4-001 Montgomery ES HVAC
- 4-002 Southwest DeKalb HS Addition
- 4-104 Cedar Grove ES - ADA - Capital Renewal-Code Requirements: HVAC, Restroom, Kitchen Equipment, Roofing, Civil, Cooling Tower
- 4-122 Miller Grove MS - ADA - Capital Renewal: HVAC, MEP, Restroom, Roofing, Kitchen Equipment
- 4-135 Former ISC (temporary John Lewis ES)
- 4-512 Henderson MS Renovation/Addition
- 4-700 Infrastructure Refresh
- 4-710 Technology Equipment
- 5-223 Indian Creek ES

Timeframe: August 2013 – July 2022

Data Analytics Results:

- *Round Dollar Amounts:* Nine (9) invoices from Donald Camp were for round dollar amounts totaling \$333,000, although these invoices were not paid with E-SPLOST funding.

Other Relevant Findings:

- *P.O. Box as address:* Fictitious vendors may be set up with a P.O. Box as its address in order to conceal the actual recipient of the funds.
- *Missing Documentation:* The District did not maintain all invoices to support the E-SPLOST spend on this vendor.

Determination: Unable to make a determination due to limited information.

While a contract between Donald Camp and the District exists for Donald Camp to provide electrical contractor services to the District, and this vendor appears to have been paid in earlier E-SPLOST projects, less than half of the E-SPLOST spend in our scope period for this vendor is supported with the available invoices. We reviewed the invoices that do exist and the services on the invoice align with the contract. These invoices contained relevant supporting documentation to substantiate work was performed, including specific information on what work was provided and at which location. However, due to the significant amount of documentation missing, we are unable to make a determination on the appropriateness of total spend related to Donald Camp.

14. Evelyn R Barnes (“Evelyn”)

Amount paid: \$72,960.00

Projects: 4-710 Technology Equipment

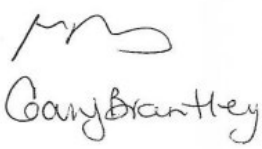
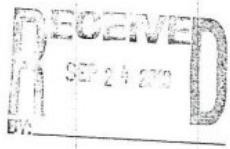
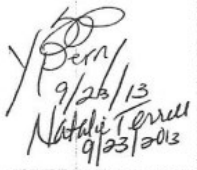
Timeframe: August 2013 – August 2014

Data Analytics Results:

- *Sequential invoice numbers:* Invoices submitted by Evelyn to the District followed a sequential number pattern of “2013-01, 2013-02, 2013-03 etc.”.
- *Round Dollar Amounts:* Evelyn submitted an invoice for \$8,000.00 on August 7, 2014.
- *Invoice dates as invoice numbers:* As noted above, the vendor appears to number invoices according to the year and number of payments within that year. For example, 2013-01, 2013-02, 2013-03, etc.

Other Relevant Findings:

- *Lack of Detail in Invoices:* Invoices lacked detail as to the specific services provided to the District:

INVOICE			
Date: September 23, 2013 Invoice # 2013-008		TO Dekalb County School System c/o Ms. Natalie Terrell 2652 Lawrenceville Highway Decatur, Georgia 30033 678-676-1000	
FROM: Evelyn R. Barnes 3760 Holy Cross Way Decatur, Georgia 30034 770-846-0345			
PO #	PROJECT NAME	DUE DATE	
01318344	SPLOST IV - DESKTOP REFRESH PROF SVCS	30 days after receipt	
TOTAL HOURS	DESCRIPTION	HOURLY RATE	AMOUNT
40	Mon Sept 16 thru Fri Sept 20	\$40.00	\$1,600.00
			
			
AMOUNT DUE			\$1,600.00
Make all checks payable to: Evelyn R. Barnes			

- *Generic nature of invoices:* The invoices received from this vendor have a format often used by fictitious vendors and lacked a logo specific to the vendor.
- *Residential Address:* According to Google Maps, the address listed on the vendor's invoices is residential.
- *Missing Documentation:* The District did not maintain all invoices to support the E-SPLOST spend for this vendor; with nearly half of the invoices having been lost or destroyed.

Determination: Unable to make a determination due to limited information.

The lack of supporting documentation and length of time since these payments occurred restricted our ability to identify the nature of services provided and to analyze payments to this vendor. In addition, email searches provided little insight into the scope of work performed by Evelyn.

15. **Evergreen Corporation ("Evergreen")**

Amount paid: \$81,668,601.00

Projects:

- 4-100 Bob Mathis ES - ADA - Capital Renewal - Code Requirements: Roofing, Restroom, HVAC
- 4-102 Canby Lane ES - ADA - Capital Renewal - Code Requirements: HVAC, Restroom, Kitchen Equipment, Roofing
- 4-116 Kelley Lake ES - ADA - Capital Renewal - Code Requirements: HVAC, MEP, Restroom, Roofing, Kitchen Equipment, Cooling Tower
- 4-125 Panola Way ES - ADA - Capital Renewal - Code Requirements: HVAC, Lighting, Restroom, Roofing, Cooling Tower
- 4-303 Browns Mill ES - Capital Renewal: HVAC, Roofing
- 4-425 Rainbow ES - Capital Renewal - Code Requirements: HVAC, Roofing, Electrical, Water Piping
- 4-505 McNair MS Replacement
- 4-507 Pleasantdale ES Replacement
- 5-224 New Dunwoody / Chamblee ES

Timeframe: May 2017 – May 2023

Data Analytics Results:

- *Invoice numbers lower than 100:* Evergreen issued multiple invoices with invoices under 100.

- *Invoice dates as invoice numbers:* At times, Evergreen submitted invoices with the year of service followed by the order of payment. For example, 2017-002, 2017-003, 2017-004 etc.

Other Relevant Findings:

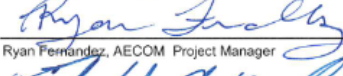
- *Large change orders:* Evergreen Corporation had change orders totaling over \$39M. For example, as the general contractor for the McNair MS Replacement, Evergreen’s original contract price was \$35,000.00, but DCSD paid \$35,395,555.00 with E-SPLOST funding.

Determination: No evidence of fraud, waste, or abuse was identified.

The invoice number anomalies can be attributed to the fact that the invoice numbers are contractor *Payment Applications*, which are often sequential, dated, and lower than 100.

As a result, we primarily focused on identifying causes for the significant change orders and the selection of Evergreen as the vendor for the McNair MS Replacement project. We identified the proposal evaluation form, which scored nine (9) firms on the initial screening for the pre-construction phase:

		COMPLIANCE										INITIAL SCREENING					INTERVIEW AND PRESENTATION						
		CERTIFICATE GEORGIA SECRETARY OF STATE	TYPE OF BUSINESS	REQUIRED VALID LICENSE-GC	BONDING CAPACITY	LOCATION/ADDRESS PHONE OF FIRM'S OFFICES	OWNERS/OFFICERS & PRINCIPALS IN CHARGE	SUCCESSFUL RELATED BUILDING EXPERIENCE	PROPOSED PROJECT STAFF & FUNCTIONS	FINANCIAL CAPABILITIES AND COST CONTROL MEASURES	WORKLOAD	TOTAL INITIAL SCREENING RANKING	REFERENCES	OVERALL APPROACH, METHODOLOGY & KNOWLEDGE OF THE SITE	PROJECT TEAM	COST CONTROL	PROJECT SCHEDULING	TOTAL INTERVIEW AND PRESENTATION RANKING					
Project Name: CM @ Risk: Ronald McNair Middle School Replacement Project RFQu No. 16-752-066												40	30	20	10	100	10	35	15	20	20	100	
APPLICANTS	TTL POINTS PER EVALUATOR											200	150	100	50	500	50	175	75	100	100	500	
	TTL AVAILABLE POINTS											177	147	100	43	467	5	50	142	57	80	80	409
Barton Malow	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
Balfour Beatty Construction	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
Carroll Daniel Construction	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
Evergreen Construction	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
Hogan Construction Group	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
JE Dunn Construction Co.	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
R.K. Redding Construction	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
Turner Construction Co.	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		
Winter Construction Co.	Score	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		

FACILITATED BY:	
 Belinda Quillet, DCSD Procurement Manager	Date: <u>10/5/16</u>
EVALUATION COMMITTEE:	
 Richard Boyd, DCSD Director of Design & Construction	Date: <u>10/5/16</u>
 Joseph Brew, DCSD Construction Manager	Date: _____
 Melissa Cantrell CDN Partners, Project Architect	Date: <u>10-5-16</u>
 Ryan Fernandez, AECOM Project Manager	Date: <u>10-6-16</u>
 Ronald Mitchell, Principal of Ronald E. McNair Middle School	Date: <u>6 Oct 16</u>
REVIEWED BY:	
 Belinda Quillet, DCSD Procurement Manager	Date: <u>10/5/16</u>
 Joshua L. Williams, DCSD Chief Operations Officer	Date: <u>10/6/2016</u>

The top six firms, including Evergreen, were invited for interviews and presentations; all five other firms received an email invitation to interview. Before and after interviews, Evergreen was ranked as the top vendor and proposed to the Board for approval for pre-construction fees.

The large change orders relate to method in which the District selects their general contractors. Specifically, they selected Evergreen as the general contractor for the pre-construction phase, and subsequently selected them again for the full construction phase (using a change order versus a new contract). This was the District’s standard process for construction projects during our scope period and is addressed throughout Plante Moran’s analysis.

We did not identify emails to imply that an improper influence existed in the selection of Evergreen for the McNair MS Replacement project.

16. GSB Architects Inc (“GSB”)

Amount paid: \$184,945.70

Projects:

- 4-129 Sequoyah MS - ADA - Code Requirements: Restroom
- 4-133 Vanderlyn ES - ADA - Capital Renewal: HVAC, Kitchen Equipment, Restroom
- 4-134 Woodward ES - ADA - Capital Renewal - Code Requirements: HVAC, Kitchen Equipment, Restroom, Roofing

- 4-311 Doraville Driver's ED - Capital Renewal: Roofing
- 4-314 International Student Center - Capital Renewal: Roofing
- 4-417 Kittredge ES - Capital Renewal - Code Requirements: HVAC

Timeframe: September 2014 – December 2019

Data Analytics Results:

- Duplicate invoices: GSB billed the District for invoice # 0000890-A and # 0000890-B on 4/30/2015. Upon further review of the invoices, they were for different amounts and different phases of the project. The invoices appear appropriate.

Relevant Findings:

- *Employee Address File match to Munis VMF:* GSB matched with a potential relative (William Mills) of DCSD employee, Ramona Mills.

<u>District Employee</u>	<u>Relative of District Employee</u>	<u>Address of Relative</u>	<u>Vendor</u>	<u>Address of Vendor</u>
Ramona Mills	William Mills	3091 E. Shadowlawn Ave NE, Atlanta, GA 30305	GSB Architects Inc.	3091 E Shadowlawn Ave NE, Atlanta, GA 30305

Determination: No evidence of fraud, waste, or abuse was identified.

Ramona Mills is a Communications Specialist. 3091 E Shadowlawn Ave appears to be a residential address; however, CLEAR indicates that William Mills has not been associated with that address since 2001 which is significantly before our scope period.

In our email analysis, we found correspondence involving the vendor’s projects, logistics and coordination, payment, and other varying aspects related to project work. This correspondence involved multiple people and did not include Ramona or William Mills.

17. Guardian of Georgia dba Ackerman Security (“Guardian”)

Amount paid: \$9,896,196.22

Projects:

Project Number	Project Name	Project Number (cont.)	Project Name (cont.)
4-001	Montgomery ES HVAC	4-504	Gresham Park ES Replacement
4-002	Southwest DeKalb HS Addition	4-505	McNair MS Replacement
4-102	Canby Lane ES - ADA - Capital Renewal - Code Requirements: HVAC, Restroom, Kitchen Equipment, Roofing	4-506	Peachcrest ES Replacement
4-104	Cedar Grove ES - ADA - Capital Renewal - Code Requirements: HVAC, Restroom, Kitchen Equipment, Roofing, Civil, Cooling Tower	4-507	Pleasantdale ES Replacement
4-116	Kelley Lake ES - ADA - Capital Renewal - Code Requirements: HVAC, MEP, Restroom, Roofing, Kitchen Equipment, Cooling Tower	4-508	Rockbridge ES Replacement
4-122	Miller Grove MS - ADA - Capital Renewal: HVAC, MEP, Restroom, Roofing, Kitchen Equipment	4-509	Smoke Rise ES Replacement
4-123	Montgomery ES - ADA - Capital Renewal: HVAC, Roofing, Restroom	4-511	Coralwood Diagnostic Center Addition
4-128	Sagamore Hills ES - ADA - Capital Renewal: HVAC, Restroom, Water Piping, Electrical	4-512	Henderson MS Renovation/Addition
4-135	Former ISC (temporary John Lewis ES)	4-600	Safety/Security System Upgrades FY 2013
4-139	Eagle Woods Academy Renovation for GNETS	4-610	Safety/Security System Upgrades FY 2014
4-307	Chapel Hill ES - Capital Renewal: HVAC, Roofing	4-700	Infrastructure Refresh
4-401	Avondale ES - Capital Renewal - Code Requirements: HVAC, MEP, WATER PIPING	5-221	John Lewis ES
4-424	Pine Ridge ES - Capital Renewal - Code Requirements: HVAC, Roofing, Lighting	5-222	New ES for Cross Keys North
4-501	Austin ES Replacement	5-223	Indian Creek ES
4-502	Early Learning Center	5-431	Technology: Safety and Security
4-503	Fernbank ES Replacement	5-451	Technology: Infrastructure

Timeframe: June 2014 – May 2021

Data Analytics Results:

- *Round Dollar Amounts:* Guardian issued an invoice for \$9,000.00 in June 2014.
- *Invoice dates as invoice numbers:* On September 15, 2015, Guardian issued an invoice #091515 for \$7,637.59.

Other Relevant Findings:

- *Number of projects:* Guardian was involved in over 30 projects. This could, in theory, be used as a method to allocate inappropriate costs without raising budget concerns in any single project.

Determination: No evidence of fraud, waste, or abuse was identified.

Email analysis shows emails discussing security system install and vendor payment. Invoices include the Ackerman Security System logo, which matches its website. The invoices outline that cameras and other security features were installed and provides the locations of the schools where installations occurred.

Both largest invoices, #DCS1722254-1 and #DCS1722254-2, for \$1,355,753.16 and \$1,355,753.15, respectively, were determined as lost by the District. However, the emails we extracted contained these invoices. We reviewed the invoices, noting they were 50% payments on the Safewatch II Project in the summer of 2017. This project was to replace all existing analog cameras in all elementary schools and centers. The invoices contain extensive detail about the scope of services. Along with this, documentation exists outlining each school, the number of cameras to be replaced, and each school's related cost. The invoices and supporting documentation appear to align with the services reported.

18. M Mitchell Group LLC ("Mitchell")

Amount paid: \$351,380.00

Projects:

- 4-114 Indian Creek ES - ADA - Capital Renewal - Code Requirements: HVAC, Restroom, Roofing
- 4-130 Stone Mill ES - ADA - Capital Renewal - Code Requirements: HVAC, Roofing, Restroom, Electrical
- 4-206 Hallford Stadium - Stadiums
- 4-307 Chapel Hill ES - Capital Renewal: HVAC, Roofing
- 4-408 DeKalb ES of the Arts at Terry Mills - Capital Renewal - Code Requirements: HVAC, Electrical
- 4-421 Montclair ES - Capital Renewal - Code Requirements: HVAC, Water Piping Electrical
- 4-512 Henderson MS Renovation/Addition
- 4-905 Demolition - Demolition

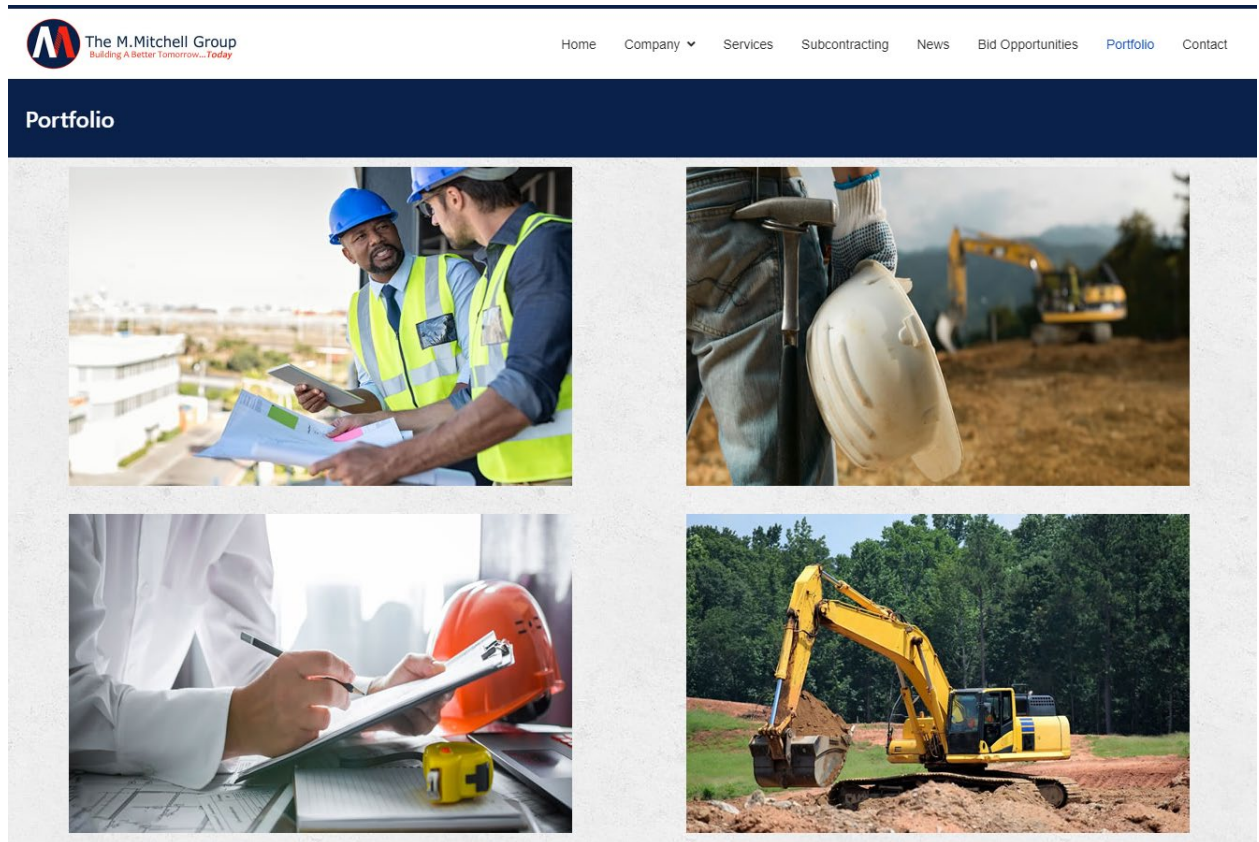
Timeframe: July 2014 – October 2016

Data Analytics Results:

- *Round Dollar Amounts:* Five (5) individual invoices from Mitchell were for round dollar amounts totaling \$64,000.00.
- *Invoice numbers lower than 100:* In 2014, Mitchell issued invoices in the pattern "MLK1, MLK2, MLK3 etc." In addition, for the Henderson MS Renovation, Mitchell issued invoices #1 and #2.
- *Invoice dates as invoice numbers:* In 2016, Mitchell issued several invoices with the year included in the invoice number.

Other Relevant Findings:

- *Website:* When researching the vendor’s website, it appears unfinished. The “portfolio” section of the website only includes photos which appear to be stock photos (i.e., not photos of work performed by Mitchell):



It also has a 1-star rating on Google reviews from what appear to be former employees stating it is a “shady business” with a “shady owner”.

- *Varying invoice formats:* When reviewing invoices, we noticed instances where both the format of the invoice itself and the vendor’s logo changes between invoices. In most circumstances (i.e. except for an accounting system conversion or merger with another company), vendors should have uniformity across invoices.

Determination: Unable to make a determination due to limited information.

Email analysis showed that prior to E-SPLOST spending on Mitchell, the District had several issues with invoicing, such as potential duplicate invoices. Mitchell sent the unpaid invoices to a collection agency. Examples of these issues are shown below:

Re: Fwd:	Sent: Fri 9/25/2015 4:47:36 PM (UTC)
From: Kathie Wise (Mountain Industrial Center)	
To: MmitchellGroup Mitch	
Hello Mr. Mitchell,	
I'm reviewing each invoice that you emailed to me. I've identified the following problems:	
Invoice NO. 1 Dresden ES \$20,604.00-this invoice # was paid previously 9/5/14 \$27,680.00 on our PO#01500833/Henderson MS-concrete sidewalks- Please submit an invoice with a unique invoice # and send to me.	
Invoice NO. 006SMES/Stone Mill ES has description of services rendered but is not priced. Please correct & send new invoice to me.	
Still working through the invoices you sent waiting on project managers & Jack Boyd to respond. Hoping to resolve this soon.	
Have a great day!	
Kathie Wise Accounting Associate DeKalb County School District Plant Services Business Services Accounting Department Sam A. Moss Service Center 1780 Montreal Road Tucker, GA 30084 678-676-1412 Office 678-676-1449 FAX kathie_b_wise@dekalbschoolsga.org	

Advantage Funding Corp.

giving your business the ADVANTAGE to succeed

1000 parkwood circle
suite 300
atlanta, georgia 30339
(770) 955-2274

DATE: August 21, 2015

Dekalb County Facilities
1780 Montreal Road
Tucker, GA 30084

ATTN: Accounts Payable

FOR ALL PAYMENTS OWING TO **The M Mitchell Group** , PURSUANT TO THE UNIFORM COMMERCIAL CODE.

Dear Accounts Payable Manager/Controller:

YOU ARE HEREBY NOTIFIED, that pursuant to a commercial security agreement, Advantage Funding Corp., has perfected interest in the accounts receivable of **The M Mitchell Group**.

Pursuant to said agreement and the UNIFORM COMMERCIAL CODE as enacted in the State of Georgia in O.C.G.A. 11-9-501, et seq., claim is hereby made on any and all payments/monies owing to or to become owing to **The M Mitchell Group**.

A copy of the UCCI/Financial Statement and our Security Agreement, referenced above are attached for your review. Upon your receipt of this notice and claim, you are required to remit any and all payments owing to **The M Mitchell Group** to the following:

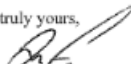
Advantage Funding Corp.
1000 Parkwood Circle, Suite 300
Atlanta, Georgia 30330
Attn: Mr. Jeffrey Farkas
(770) 955-2274 or (800) 241-2274

or PO Box 28562
Atlanta, Georgia 30358

PLEASE BE ADVISED, that should you not observe this claim, you may be legally liable for double payment. If you should have any questions or need further documentation, please contact the undersigned immediately or instruct your Attorney/Legal Department to do the same.

This claim will remain in full effect until further written notice from ADVANTAGE FUNDING CORP. Your anticipated cooperation is appreciated.

Very truly yours,


Jeffrey Farkas, President
Advantage Funding Corp.

Following this situation, we identified several emails indicating that the District, or at the very least, the General Fund for the District (separate from E-SPLOST project managers), would no longer be using Mitchell as a vendor:

The M Mitchell Group, LLC/K0001026277

Sent: Wed 10/21/2015 7:42:58 PM (UTC)

From: Kathie Wise (Mountain Industrial Center)
To: Carla Smith (Finance)
CC: Iguana Marshall (Mountain Industrial Center), Belinda Quillet (Mountain Industrial Center), John Boyd (Operations), Phyllis Jones (Finance), John Wright (Operations)

Good afternoon Carla,

Phyllis spoke with you about this situation earlier today. Jack Boyd/Operations (FUND 101) used The M. Mitchell Group, LLC during the summer to build walkways for the portable classrooms that were moved to various locations to provide student housing for FY15-16. Project Managers (FUND 421 & 422) used this vendor for various landscaping needs, walkways & concrete sidewalks and various locations. To date we've encumbered \$129,093.80 to this vendor. Operations (FUND 101) has 6 invoices totaling \$42,506.40 for work that was completed in July & August that have not been paid. Below is the breakdown of encumbrance by FUND:

FUND 421 & 422 \$100,342.00

FUND 101 \$ 28,751.80 + \$43,000.00 (Req# 752/01158 that I entered 10/20/15) Total \$71,751.80

Phyllis advised that a formal solicitation is necessary and that I should give you the spend statistics by FUND. We've had a few unusually circumstances with this vendor that required a lot of time & involved Ginton Darlen in OLA. You may recall assisting Eric Cannady in establishing a vendor file for Advantage Funding Corp. to pay invoices that M. Mitchell had assigned to them as loan collateral. This issue was resolved 10/16/15. Jack Boyd has indicated that he will no longer use this vendor. Nonetheless, we still have these invoices to pay. I'm not certain of project management team's intent with this vendor.

Please guide us regarding how we can pay this vendor. Thank you.

Have a great day!

Kathie Wise
Accounting Associate
DeKalb County School District
Plant Services
Business Services Accounting Department
Sam A. Moss Service Center
1780 Montreal Road
Tucker, GA 30084
678-676-1412 Office
678-676-1449 FAX
kathie_b_wise@dekalbschoolsga.org

However, nearly all of E-SPLOST payments to Mitchell (\$327K of the \$350K) occurred after issues with invoicing. While we identified several bids on projects by Mitchell for which it was the lowest bidder, and as a result would normally be awarded the bid, it is unclear why the District continued to use Mitchell after the Office of Legal Affairs indicated on September 29, 2015 that “the M Mitchell Group will not perform any work for DCSD in the future.”:

From: Glinton Darien (Legal Affairs)
Sent: Tuesday, September 29, 2015 6:41:11 PM
To: info@advantagefunding.com
Cc: Michael Walker (Legal Affairs)
Subject: The M Mitchell Group/Advantage Funding Corp

Dear Mr. Jeff Farkas,

I am reviewing your request for payment of \$14,944.65 for services rendered by the M Mitchell Group to the DeKalb County School District ("DCSD"). Please direct any future inquiries regarding this matter to me for handling.

At this point, it is not clear as to which invoices you are claiming should be paid. Could you please provide me with a detailed list which includes the outstanding invoice number and amount of the invoice? My understanding is that all work performed by the M Mitchell Group, for DCSD, has been completed and that the M Mitchell Group will not perform any work for DCSD in the future. Therefore, DCSD would like to finalize this matter and requests that you please include, on the detailed list, any additional unpaid invoices that you may not have previously provided as well as attach a copy of all outstanding invoices which describes the services rendered. Since our goal is to finalize this matter, I am drafting a release that you will need to sign simultaneously with your receipt of payment. I will e-mail the release to you once I have finalized the same. Lastly, I have attached DCSD's standard vendor information form and request that you complete the form and return the same to me.

Thank you for your consideration in this matter. Please contact me if you should have any questions.

Respectfully,

Glin Darien, Jr.

Glinton R. Darien, Jr.
Office of Legal Affairs
DeKalb County School District

In fact, E-SPLOST Program Director, John Wright, and Project Manager, Fritzgerald Joseph, both sent reference letters to Mitchell's administrative assistant to use, one example of which is shown below:



AECOM
400 Northpark Town Center
1000 Abernethy Road, Suite 900
Atlanta, GA 30328
678.808.8800 tel
678.808.8400 fax
www.aecom.com

January 8, 2016

Marcus Mitchell
President
The M Mitchell Group, LLC
480 Kingsbridge Rd.
Carrollton, GA 30117

Re: Letter of Reference

To whom it may Concern:

This is a letter of recommendation is for The M. Mitchell Group, LLC (TMMG) who we've employed to renovate multiple schools in the DeKalb County School District (DCSD) which some are still in progress, and are small to large scale construction projects. There are several reasons for recommending the employment of TMMG. First, they have an excellent reputation and their commitment to our renovations was commendable. Secondly, they were very client centered. By that I mean, if we had a problem or concern they attended to it immediately and in a professional manner. Lastly, the majority of our projects are phase-sensitive and they were able to complete their work while our buildings were open with students. This required special attention to noise levels and cleanliness while completing their work in a timely manner.

As the SPLOST IV Program Director, I must rely on construction companies who look out for the interest of the DCSD but also works to remove the multiple loose ends and questions that can cause confusion, cost overruns and delays on projects and their associated schedules. As the President of TMMG, Mr. Mitchell, is extremely knowledgeable, very professional and always has a kind word to say to everyone. His excellent communication skill keeps everyone informed of all aspects of the project.

TMMG Team utilizes excellent project management skills to problem solve any issue that arises during the project. I find them to be very honest and straightforward on all issues with the project which aids me, and our project managers, to make decisions to keep the project moving forward.

Mr. Mitchell, on numerous projects, has proven to be very detailed oriented and efficiently manages numerous sub-contractors on the job, and all of the day to day details to keep the project on time, on budget and on schedule.

I have worked several projects with TMMG and find this construction team to be one of the best in DeKalb County. They are efficient, work hard to keep the project in-line, and are excellent in communication. This has been a great experience for me and the SPLSOT Program to work with such a professional group of contractors!

I would definitely consider them for future projects! Their work has always been completed to exact specifications, on time, and on budget! Please feel free to contact me at (678) 676-1435 or (404) 202-1537 for any further recommendations on Mr. Mitchell and TMMG.

Sincerely,

John D. Wright
SPLOST IV Program Director
AECOM

After the invoices were paid in January, the District received an open records request from a subcontractor on the Indian Creek ES project, who had not yet been paid by Mitchell, two months later:

-----Original Message-----

From: Cory Close
Sent: Thursday, March 10, 2016 11:14 AM
To: derek_d_carson@dekalbschoolsga.org
Cc: toney_blackmon@dekalbschoolsga.org; Chad Reed
Subject: Open Records Request: Indian Creek Elementary (contract documents and performance and payment bonds)

Gentleman,

Thank you for taking the time to meet with me this morning. Please allow this email correspondence to serve as a formal Open Records Request for the documents identified in the subject line. As discussed this morning, my client, Argos Ready Mix, LLC, is a material supplier to the Indian Creek Elementary School renovation. My client has not been paid by its customer, The M. Mitchell Group, LLC, a subcontractor on the project, and needs to make a payment bond claim. It is imperative that I receive the contract documents and performance and payment bonds to make a timely demand upon the surety. Although the DeKalb County employee that can supply these documents is currently in a meeting, I look forward to receiving the documents later today.

Thank you again for your help.

-CCC

Additional invoicing issues continued throughout E-SPLOST projects:

Re: M.Mitchell Group invoice

Sent: Fri 9/2/2016 2:33:00 PM (UTC)

From: Tavia Kidd
To: Eno Aboagye-Atta (Operations)



Thank you, I have the correct invoice below:

"Please confirm receipt of this email"

Tavia Kidd
Office Administrative Assistant
The M. Mitchell Group
480 Kingsbridge Rd
Carrollton, GA 30117
Office: 678-664-0293
Fax: 678-664-0465

On Fri, Sep 2, 2016 at 9:45 AM, Eno Aboagye-Atta (Operations) <Eno_Aboagye-Atta@dekalbschoolsga.org> wrote:

Good morning Tavia:

I reviewed the invoice you sent yesterday and the balance the district owes your company needs to be \$10,200 minus a credit for the 2 inlet drains that were no longer installed. The contract sum is \$51,000 and you have already been paid \$40,800. Please talk to your project manager about this and send me a revised invoice for processing. Thank you.

Eno Atta, LEED AP, PMP

Project Manager
AECOM CIP Team | DCSD SPLOST IV CIP Program
Sam Moss Center | 1780 Montreal Road | Tucker, GA 30084
(C) 404-784-2860 (D) 678-676-1420
C08041501@dekalbschoolsga.org | eatta@cerm.com

Re: M. Mitchell Group Terry Mill Invoices Sent: Tue 9/6/2016 3:05:30 PM (UTC)

From: Derji Thomas (Operations)
To: Tavia Kidd

Good Morning Tavia,

I have submitted the invoices for Montclair and the interior painting for Terry Mill for 4,200.

The invoice for \$4,800 needs to be corrected to reflect work performed; exterior cleaning and pressure washing of the building was not performed.
Please correct the invoice to reflect the removal of the mirrors, painting of the classroom and removal of the black paint off of the windows in classrooms

The invoice for \$2,800 was not completed it was created as an emergency encase of additional work is needed.

Thanks,

Derji R. Thomas
Project Manager
C.E.R.M./AECOM Program Management Team
DeKalb County School District SPLOST IV
O: (678) 676-1568
F: (678) 676-1449
Derji_Thomas@dekalbschools.ga.org

From: Tavia Kidd <tavia.mitchellgroup1@gmail.com>
Sent: Tuesday, September 6, 2016 10:07:48 AM
To: Derji Thomas (Operations)
Subject: M. Mitchell Group Terry Mill Invoices

Good Morning, I sent 3 invoices on Thursday September 2 for Terry Mill invoice No. TMIC2016, in the amount of \$4,800. invoice No. TMINT2016, in the amount of \$4,200 and invoice No. TMIC2016-A in the amount of \$2,800. I've attached the invoices below as well.

Could you please confirm that you received these invoices please. If you have any questions please feel free to contact me.

Thanks,
Tavia

The constant issuance and re-issuance of invoices may explain the format changes between invoices. It appears DeKalb Project Managers and the Finance team were diligent about identifying billing errors, and we did not identify emails indicating concerns about the work being performed. Because the District was unable to provide us all invoices, we are unable to verify if payments for duplicate services were made.

19. Mechanical Services Inc (“Mechanical Services”)

Amount paid: \$261,363.00

Projects:

- 4-112 Huntley Hills ES - ADA - Capital Renewal - Code Requirements: HVAC, MEP, Restroom, Roofing
- 4-117 Kingsley ES - ADA - Capital Renewal: HVAC, MEP, Restroom, Roofing
- 4-509 Smoke Rise ES Replacement

Timeframe: July 2016 – October 2016

Data Analytics Results:

- *Round Dollar Amounts:* 16 individual invoices from Mechanical Services were for round dollar amounts totaling \$698,000.00, including two totaling \$93,000 that were paid with E-SPLOST funds.
- *Invoice numbers lower than 100:* Mechanical Services issued invoice #1 for \$53,262 on October 31, 2011 and #2 for \$26,553 on June 7, 2012.

Other Relevant Findings:

- *Generic nature of invoices:* The invoices received from this vendor have a format often used by fictitious vendors and lacked a logo specific to the vendor:

Mechanical Services, Inc. PO Box 82698 Hapeville, GA 30354 GA REG CN208254		RECEIVED DEC 07 2016 BY:		Invoice							
		<table border="1"> <tr> <th>Date</th> <th>Invoice #</th> </tr> <tr> <td>10/20/2016</td> <td>1016911</td> </tr> </table>	Date	Invoice #	10/20/2016	1016911					
Date	Invoice #										
10/20/2016	1016911										
<table border="1"> <tr> <th colspan="2">Bill To</th> </tr> <tr> <td colspan="2"> Dekalb County School System Sam A. Moss Center 1780 Montreal Rd. Tucker, GA 30084 </td> </tr> </table>						Bill To		Dekalb County School System Sam A. Moss Center 1780 Montreal Rd. Tucker, GA 30084			
Bill To											
Dekalb County School System Sam A. Moss Center 1780 Montreal Rd. Tucker, GA 30084											
		<table border="1"> <tr> <th>Job No.</th> <th>P.O. No.</th> <th>Terms</th> </tr> <tr> <td>16-631</td> <td></td> <td>Upon Receipt</td> </tr> </table>	Job No.	P.O. No.	Terms	16-631		Upon Receipt			
Job No.	P.O. No.	Terms									
16-631		Upon Receipt									
Item	Quantity	Description	Unit Price	Amount							
Material		Amount	96,500.00	96,500.00							
Equipment Sale - Kingsley Elementary School			Subtotal	\$96,500.00							
			Sales Tax (0.0%)	\$0.00							
			Balance Due	\$96,500.00							

- *P.O. Box as address:* Fictitious vendors may be set up with a P.O. Box as its address in order to conceal the actual recipient of the funds.

Determination: No evidence of fraud, waste, or abuse was identified.

We identified contracts between DCSD and Mechanical Services, contract extensions granted by the BOE, and the vendor's certificate of liability insurance within the population of emails. Its website and filings with the State of Georgia indicates it has been in business for over 40 years. The invoices, although generic, purport services that align to the approved contracts.

DeKalb County School System Board of Education	Meeting Date: <u>December 5, 2016</u>
Agenda Item Title: ITB 16-752-007 On-Call HVAC Maintenance and Repair Services Contract Extension	
Presented by: (Quick Summary Abstract) Joshua Williams, Chief Operations Officer	
Requested Action: It is recommended that the Board of Education approve the contract extension for On-Call HVAC Maintenance and Repairs with MAXAIR, Inc., Mechanical Services, Inc., and Mobley HVAC, LLC dba Mobley Heating and Air. Board Policy DJE requires the Board of Education to approve the expenditure of any vendor that provides goods and/or services to the school system that may exceed \$100,000.00 in purchases for the fiscal year. It is anticipated that expenditures for both vendors will exceed \$100,000.00.	
Rationale: This request is a contract extension for MAXAIR, Inc., Mechanical Services, Inc., and Mobley HVAC, LLC dba Mobley Heating and Air to provide on-call HVAC maintenance and repair services. This request extends the agreement for an additional year through December 31, 2017.	
Details: On November 2, 2015, the Board of Education approved MAXAIR, Inc., Mechanical Services, Inc., and Mobley HVAC, LLC dba Mobley Heating and Air as the lowest, responsive and responsible bidders to provide plumbing services on an as needed basis for the Facilities/Maintenance Department and the SPLOST program. This recommendation is for the first of four (4) one-year (1-year) contract renewal options. MAXAIR, Inc. is located at 814 Livingston Court, Marietta, GA 30067; Mechanical Services, Inc., is located at 464 Porsche Avenue, Hapeville, GA 30354; and Mobley HVAC, LLC dba Mobley Heating and Air, is located at 2186 Indian Shoals Drive, Loganville, GA 30052.	
Summary: The requested contract extension through December 31, 2017 will be in accordance with the existing fee structure provided in the vendor's original contract agreement and will allow the DeKalb County School to provide a safe and healthy learning environment and efficient service and quality performance while reducing cost.	
Financial Impact: It is anticipated that the cost for these services will exceed \$100,000.00 this fiscal year and will be allocated from multiple operations and SPLOST charge codes.	
Contacts: Mr. Joshua Williams, Chief Operations Officer, 678.676.1376 Mr. Jackie Boyd, Facilities Manager, 678.676.1478	
Supporting Documents (list and attach to recommendation): <ol style="list-style-type: none">1. MAXAIR, Inc. Extension Offer and Acceptance Letter2. MAXAIR, Inc. Vendor/Contractor Performance Evaluation3. Mechanical Services, Inc. Offer and Acceptance Letter4. Mechanical Services, Inc. Vendor/Contractor Performance Evaluation5. Mobley HVAC, LLC dba Mobley Heating and Air Extension Offer and Acceptance Letter6. Mobley HVAC, LLC dba Mobley Heating and Air Vendor/Contractor Performance Evaluation7. Chronology of the Agenda Item	

Joshua L. Williams
Chief Operations Officer



Dr. R. Stephen Green
Superintendent

Operations Division - Sam Moss Service Center
1780 Montreal Road
Tucker, Georgia 30084-6705
(678) 676-1320

October 13, 2016

Sent Via Email: mechanicalsvsinc@bellsouth.net

Ms. Denice D. Stamey, President
Mechanical Services, Inc.
464 Porsche Avenue
Hapeville, GA 30354

Dear Ms. Stamey:

As a result of the favorable evaluation for your service over the last year, DeKalb County School District is pleased to advise that it desires to extend **ITB 16-752-007 On-Call HVAC Maintenance and Repair Services** with **Mechanical Services, Inc.** for an additional year at the same terms, conditions and pricing as stated in your contract.

The extension is subject to DeKalb County Board of Education approval and will be effective **December 31, 2016** through **December 31, 2017**.

I look forward to hearing from you regarding this request to extend **ITB 16-752-007 On-Call HVAC Maintenance and Repair Services**. Please submit a copy of your company's proof of insurance and include the following signed acknowledgement via email to adrein_walker@dekalbschools.ga.org, no later than **Wednesday, October 19, 2016**.

On behalf of the DeKalb County School District, I want to take this opportunity to thank you for your service and for your interest in doing business with us.

Sincerely,

DeKalb County School District


Belinda Quillet, MSM, CPPB
Procurement Manager

cc: Joshua L. Williams
Jackie Boyd
Carla L. Smith
Nikki Marshall

ACKNOWLEDGMENT

Mechanical Services, Inc., hereby agrees to extend **ITB 16-752-007 On-Call HVAC Maintenance Services**, at the same prices, terms and conditions until **December 31, 2017**.

 _____ 10/17/16 _____
Official Signature Date
DENICE D. STAMEY 404-766-0292 MECHANICALSVSINC@
Name and Title (Typed or Printed) Phone Email Address bellsouth.net

The BOE agenda item indicates Mechanical Services was one of three of the lowest, responsive bidders for emergency HVAC repairs. One of the other vendors, Maxair Mechanics, also received E-SPLOST funding.

Specifically, for the \$96,500 above, we reviewed emails for “Kingsley” AND “HVAC”, since the invoice referenced “Kingsley” and was recorded to the “Kingsley ES” project. The HVAC was slated for replacement in a future year; however, there were problems at the beginning of the 2016-2017 school year:

Statement for Kingsley HVAC Sent: Thur 9/8/2016 8:57:39 PM (UTC)

From: Daniel Drake (Operations)
To: Sherry Johnson (Region I), Melanie Pearch (Kingsley Elementary)
CC: Joshua Williams (Operations), John Boyd (Operations), Winward Hines (Operations), Quinn Hudson (Department of Communications), R. Stephen Green (Superintendent's Office), Ramona Tyson (Superintendent's Office), Eileen Houston-Stewart (Department of Communications)

Sherry and Melanie:

Please share the statement below with the Kingsley parents tomorrow:

Based on the periodic disruptions of the HVAC system at Kingsley ES so far this school year, we initiated an emergency assessment of the HVAC system on September 7, 2016. Based on that assessment, we are developing plans to replace all condensing units that support the HVAC system, which should resolve the issues we have faced so far this school year. We are in process of procuring the equipment and will have it delivered and installed by an external contractor no later than Monday October 10th. As we get closer to the installation date, we will provide an updated notice of the progress of this new HVAC installation. In the interim, we will have on-call staff ready to respond to any further intermittent disruption of HVAC service, as needed.

-Dan

Mr. Daniel E Drake, PE
 Director of Planning and SPLOST Programming
 DeKalb County School District
 1780 Montreal Rd
 Tucker, Georgia 30084
 678-676-1332 (telephone) 678-676-1469 (fax)
 daniel_drake@dekalbschoolsga.org

A third-party from Thermal Resource Sales, an HVAC solutions company, evaluated the remediation plan and indicated that if the October goal can be met, “DCSD deserves major kudos”:

From: Gary Smith <gary.smith@trs-sesco.com>
Sent: Friday, September 9, 2016 10:55 AM
To: Melanie Pearch (Kingsley Elementary)
Cc: erikaleighh2000@gmail.com
Subject: Kingsley HVAC issues

Good Morning Ms. Pearch

It was a pleasure meeting you last night and I look forward to supporting you and Kingsley PTO this coming year. To follow up on our conversation last night regarding Kingsley's air conditioning situation, I was glad to hear the county is taking corrective measures to solve the issues related to the building's AC systems. As I understood the email you read last evening, DCSD will be replacing all the HVAC equipment with new packaged rooftop units, installed and operational by 10/10/16. I've looked at the school on Google Earth and there are several pieces of AC equipment on this building including a number of very large units, which typically have longer lead times. At first glance, this is a very aggressive schedule. If they can meet the October goal, DCSD deserves major kudos. But if they have not begun they have not already released an equipment order to a manufacturer, I would not be surprised if the completion date is pushed back to late October. This being said, there are at least four weeks where a significant portion of the school will be without air conditioning. This not only creates a comfort issue for the both students and faculty but it creates a health issue and potentially a life safety issues that need to be considered.

We did not identify other expenditures for the Kingsley HVAC project around this time; it appears reasonable that Mechanical Services provided the emergency repairs.

20. Ninas Consultant Services (“Ninas”)

Amount paid: \$74,410.00

Projects: 5-402 Technology: ERP/Finance/HR System (Sales Tax and State Reimbursements)

Timeframe: October 2019 – January 2020

Data Analytics Results:

- *Sequential invoice numbers:* Ninas issued invoice numbers to the District with a numbering system of “xx19”, where “xx” represents the sequential numbers 81 through 101.

Other Relevant Findings:

- *Residential Address:* According to Google Maps, the address listed on the vendor’s invoices is residential.
- *No website:* We were unable to locate a website associated with this vendor.
- *Lack of detail in invoices:* Vendor invoices reviewed lacked information we would expect to see in invoices, such as description of services and a logo.

INVOICE

Ninas Consultant Services
Attn: Diane Farmer
3515 David Cox Rd PMB 480386
Charlotte, NC 28269
919-264-1781

Invoice No : 10019
Date : 1/13/2020
Customer ID : 8148

20004302

Dawn M. Robinson
DeKalb County School
2652 Lawrenville Highway
Decatur, GA 30033
Phone

Due upon receipt

Item	Description	Amount	Total
1	Business Analyst - WE 1/13/2020	\$880.00	\$ 880.00

Subtotal \$ 880.00
\$ -
TOTAL \$ 880.00

Make all checks payable to Ninas Consultant Services
Attn: Diane Farmer.

THANK YOU FOR YOUR BUSINESS!

Determination: Unable to substantiate services provided.

The contract between Ninas Consulting and the District was located within the email population reviewed. Per the contract, Ninas Consulting was hired to provide a business analyst to consult on ERP-related issues. We also located the vendor’s W-9 form and its certificate of liability insurance.

INDEPENDENT CONTRACTOR AGREEMENT

(Contract Amount over \$5,000)

THIS AGREEMENT (hereinafter "Agreement") is between the undersigned Independent Contractor (hereinafter "INDEPENDENT CONTRACTOR"), with a principal place of business at 3515 David Cox Rd Pmb 480386, Marietta and the DeKalb County School District (hereinafter "DCSD"), with its principal place of business at 1701 Mountain Industrial Blvd, Stone Mountain, GA 30083. The INDEPENDENT CONTRACTOR and DCSD are referred to herein jointly as the "Parties" and individually as a "Party." In consideration of the mutual agreements and covenants set forth and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties to this Agreement do hereby covenant and agree as follows:

- A. ENGAGEMENT:** Subject to the terms and conditions of this Agreement, DCSD hereby retains INDEPENDENT CONTRACTOR, as an independent contractor, to provide the "Services" described herein, and INDEPENDENT CONTRACTOR hereby accepts such engagement. INDEPENDENT CONTRACTOR shall furnish the Services to the DCSD from time to time on request throughout the term of this Agreement and INDEPENDENT CONTRACTOR shall use his/her/its best efforts to furnish the Services to the satisfaction of the DCSD and shall provide the Services at times and places as are necessary and appropriate.
- B. SERVICES:** INDEPENDENT CONTRACTOR agrees to render the following services (hereinafter "Services") (include name, scope of work and dates for contracted services):

Business Analyst
J - ERP August 26, 2019 - June 30, 2020

1. Performance of Services. INDEPENDENT CONTRACTOR will supply all tools and instrumentalities required to perform the Services under this Agreement, and shall perform the Services in a workmanlike and professional manner and shall provide such warranties as are consistent with industry customs and standards. INDEPENDENT CONTRACTOR agrees to act with prudence and diligence and in a timely manner in the performance of his duties and responsibilities hereunder and in good faith and in the best interests of the DCSD. During the term of this Agreement, INDEPENDENT CONTRACTOR shall devote as much of his/her/its productive time, energy and abilities to the performance of his duties for DCSD as is necessary to perform the required duties in a timely and productive manner. Subject to any other written agreement between INDEPENDENT CONTRACTOR and DCSD, INDEPENDENT CONTRACTOR is free to engage in other independent contracting activities, provided that INDEPENDENT CONTRACTOR does not engage in any such activities which are inconsistent with or in conflict with INDEPENDENT CONTRACTOR's Services for DCSD, or that so occupy INDEPENDENT CONTRACTOR's attention as to interfere with the proper and efficient performance of INDEPENDENT CONTRACTOR's Services for the DCSD.

2. Supervision of INDEPENDENT CONTRACTOR. Independent Contractor warrants and represents that INDEPENDENT CONTRACTOR has the training, skills and acumen required to perform the Services. With respect to the duties and obligations of INDEPENDENT CONTRACTOR under this Agreement, INDEPENDENT CONTRACTOR hereby acknowledges and agrees that DCSD shall retain the right to require certain results in conformity with the Agreement. INDEPENDENT CONTRACTOR will determine the method, details, and means of performing the Services. INDEPENDENT CONTRACTOR agrees and acknowledges that DCSD has no right to and shall exercise no control over the time, manner, methods or means of INDEPENDENT CONTRACTOR's performance of the Services.

- C. TERM:** The term of this Agreement (the "Term") is as follows:

Start Date: August 26, 2019 End Date: December 31, 2019

1

Therefore, documentation exists to support that this was a legitimate company which was approved by the District to perform services (i.e., had a contract) and issued relevant invoices. However, documentation does not exist to substantiate whether services were provided as billed, given the lack of supporting documentation attached to the invoices.

21. Tracey Graham ("Graham")

Amount paid: \$20,625.00

Projects: 4-710 Technology Equipment

Timeframe: July 2013 – August 2014

Data Analytics Results:

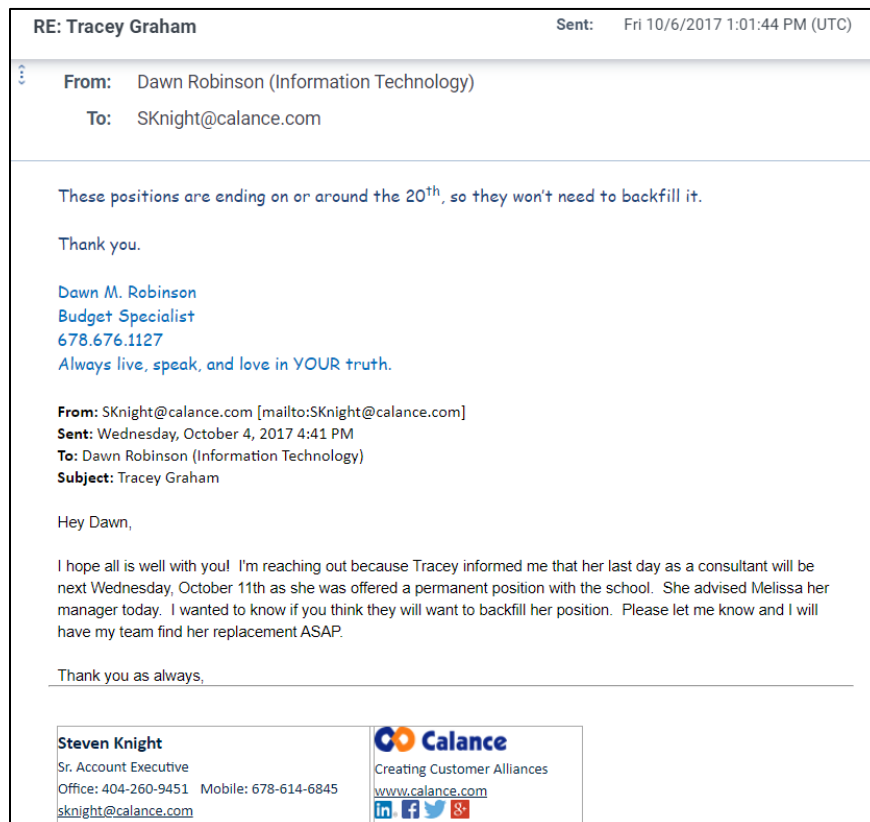
- *Sequential invoice numbers:* Graham issued invoice numbers to the District with two numbering systems.
 - From July 2013 through August 2014 (E-SPLOST funding), Graham issued 51 invoices numbered from 8001 to 8056 (5 gaps in numbers).
 - From March 2015 through May 2016, Graham issued 59 invoices numbered “2015-xxx”, where “xxx” represents the sequential numbers 001 through 068. (9 gaps in numbers).

Other Relevant Findings:

- *Missing invoices:* we were unable to locate any of the invoices associated with this vendor.

Determination: Unable to make a determination due to limited information.

The lack of supporting documentation, including invoices and support for invoices, restricts our ability to determine whether services were performed, and amounts paid were appropriate. Our email analysis did not identify any communications indicating the nature of the work Graham performed. However, it appears that Graham was an independent contractor for the District as, in October 2017, there is a discussion between DCSD employees Steven Knight and Dawn Robinson about Graham accepting a full-time position with the District:



The EMF shows Tracey Graham as a Data Clerk with a hire date of October 13, 2017.

22. Tracy Watson Adkison (“Adkison”)

Amount paid: \$31,850.00

Projects: 4-710 Technology Equipment

Timeframe: January 2014 – August 2014

Data Analytics Results:

- *Sequential invoice numbers:* invoice submitted by Adkison to the District followed a sequential number pattern.
- *Invoice dates as invoice numbers:* Invoices from this vendor follow a date format of “yyyy-100”, “yyyy-102”, etc.

Other Relevant Findings:

- *Missing invoices:* we were unable to locate any invoices associated with this vendor.
- *No website:* we were unable to locate a website associated with this vendor.

Determination: Unable to make a determination due to limited information.

The lack of supporting documentation, including invoices and support for invoices, restricts our ability to determine whether services were performed, and amounts paid were appropriate. Similar to Graham above, it appears that Adkison was an independent contractor for the District, but there is no documentation retained to demonstrate nor verify that services were provided.

A transcript of an interview of Adkison on *dekalbhistory.org*⁸ explains that she performs IT project management services on a contractual basis. Due to this vendor being involved in project 710-34, Technology Equipment, it is likely this was the type of work performed by Adkison; however, we are unable to confirm this assumption due to the lack of invoice detail available.

23. Winter Construction (“Winter”)

Amount paid: \$37,470,886.30

Projects: 5-223 Indian Creek ES, 5-380 Green Forrest Drive

⁸ <https://dekalbhistory.org/wp-content/uploads/2021/07/dekalb-history-center-tracy-adkison-deed-of-gift-recd.pdf>

Timeframe: September 2019 – January 2023

Relevant Findings:

- Large change orders: Winter had change orders over \$36M. For example, as the general contractor for the Indian Creek ES project, Winter’s original contract price was \$50,000.00, but DCSD paid \$36,125,191.00 with E-SPLOST funding.

Determination: No evidence of fraud, waste, or abuse was identified.

Because this vendor was not flagged through data analytics, we did not review emails with the intent of finding missing or problematic invoices. Instead, we focused on identifying causes for the significant change orders and the selection of Winter as the vendor for the Indian Creek ES and Green Forrest Drive projects. We identified the proposal evaluation form for the Indian Creek ES project, which scored 11 firms on the initial screening:

CM at Risk Indian Creek Elementary School Replacement Final Proposal Evaluation Form - RFQu No. 19-752-003																						
		COMPLIANCE					INITIAL SCREENING					INTERVIEW AND PRESENTATION										
		CERTIFICATE GEORGIA SECRETARY OF STATE	TYPE OF BUSINESS	REQUIRED VALID LICENSE-GC	BONDING CAPACITY	LOCATION/ADDRESS PHONE OF FIRM'S OFFICES	OWNERS/OFFICERS & PRINCIPALS IN CHARGE	SUCCESSFUL RELATED BUILDING EXPERIENCE	PROPOSED PROJECT STAFF & FUNCTIONS	FINANCIAL CAPABILITIES AND COST CONTROL MEASURES	WORKLOAD	EQUITABLE DISTRIBUTION	TOTAL INITIAL SCREENING	INITIAL SCREENING RANKING	REFERENCES	OVERALL APPROACH, METHODOLOGY & KNOWLEDGE OF THE SITE	PROJECT TEAM	COST CONTROL	PROJECT SCHEDULING	TOTAL INTERVIEW AND PRESENTATION	INTERVIEW AND PRESENTATION RANKING	
APPLICANTS	POINTS AVAILABLE							175	125	75	50	15	440		50	175	75	100	100	500		
Archer Western	Score	√	√	√	√	√	√	154	95	75	46	15	385	7th								
Balfour Beatty	Score	√	√	√	√	√	√	175	120	75	46	13	429	1st	46	159	68	99	87	459	3rd	
Barton Malow Company	Score	√	√	√	√	√	√	147	115	75	42	9	388	6th	38	140	62	58	77	375	5th	
Bowen & Watson, Inc.	Score	√	√	√	√	√	√	133	95	75	46	15	364	10th								
Carroll Daniel	Score	√	√	√	√	√	√	161	100	75	38	11	385	7th								
Evergreen Construction	Score	√	√	√	√	√	√	161	125	75	50	0	411	2nd	47	166	72	96	96	477	2nd	
Gay Construction	Score	√	√	√	√	√	√	98	95	75	42	15	325	11th								
McKnight Construction	Score	√	√	√	√	√	√	161	90	75	38	15	379	9th								
Nix-Fowler	Score	√	√	√	√	√	√	161	105	75	50	9	400	4th	48	161	65	92	77	443	4th	
Parrish Construction	Score	√	√	√	√	√	√	154	105	75	32	15	381	8th								
R.K. Redding	Score	√	√	√	√	√	√	161	110	75	44	15	405	3rd								
Winter Construction	Score	√	√	√	√	√	√	140	115	75	44	15	389	5th	50	168	75	94	93	480	1st	

The top five firms, including Winter, were invited for interviews and presentations; all five firms received an email invitation to interview. After interviews, Winter was ranked as the top vendor and proposed to the Board for approval for the pre-construction phase fee:

DeKalb County School System Board of Education	Meeting Date: <u>November 5, 2018</u>
Agenda Item Title: E-SPLOST V Project: RFQu No. 18-752-003 Indian Creek Elementary School Project Award Approval	
Presented by: (Quick Summary Abstract) Daniel Drake, Interim Chief Operations Officer, Operations Division	
Requested Action: It is requested that the Board of Education approve the award RFQu No. 18-752-003 for construction management services for the new Indian Creek Elementary School to Winter Construction the most responsive and responsible Offeror whose proposal is the most advantageous to the Board based on the evaluation factors set forth in the Request for Qualifications solicitation document.	
In addition, it requested that the Board of Education approve a not-to-exceed amount of \$50,000.00 , for the Pre-Construction Phase Fee associated with this contract agreement. A final Guaranteed Maximum Price (GMP) will be presented to the Board of Education for approval in Summer of 2019.	
Rationale: To approve the award of the construction management contract for Indian Creek Elementary School project in accordance with the District's voter-approved E-SPLOST V program.	
Details: Specific details related to the scope of work for this Request for Qualifications can be found on the District's solicitation website at http://www.dekalbschoolsga.org/solicitations/ .	
The RFQu was issued on July 12, 2018, and notification of the upcoming solicitation was sent via email to 125 vendors from the DCSD vendor list and 1,288 vendors through the State of GA Procurement Registry and 127 vendors on DemandStar. The solicitation was advertised in the Champion and posted on DCSD website. Twenty-six (26) people attended the mandatory pre-proposal meeting on July 26, 2018, representing fifteen (15) construction managers. Twelve (12) statements of qualifications were received on August 21, 2018, for Indian Creek Elementary School project.	
The qualifications for the twelve (12) responsive firms were evaluated by a selection committee, and six (6) firms were shortlisted and invited to further discuss their qualifications during an interview. Interviews were conducted on September 21, 2018. This recommendation is based on the final scoring of the interview and presentation process. Winter Construction will be responsible for the construction management services as set forth in the proposal documents. The DeKalb County School District's Standard Form of Construction Management Contract will be used. The award of this contract will allow for the commencement of the pre-construction phase of the construction management services for this project. Winter Construction is located at 191 Peachtree Road NE, Suite 2100, Atlanta, Georgia 30303.	
Summary: The award of this contract will provide a safe and healthy learning environment through the Indian Creek Elementary Project.	
Financial Impact: The total amount for \$50,000.00 for the Pre-Construction Fee and final Guaranteed Maximum Price associated with the contract agreement for Indian Creek Elementary School Project will be allocated from the construction cost code (423.71.04.00.223423.752.0000) under the voter-approved E-SPLOST V program.	

Prior to being awarded this contract, Winter bid on at least one other project, the Comprehensive Arts School, but was not awarded it:

Proposal Debrief for Comprehensive Arts School, RFQu 17-752-055 CM

Sent: Mon 10/2/2017 3:19:30 PM (UTC)
From: Paul Miley
To: Weyman Christopher (Mountain Industrial Center), Belinda Quillet (Mountain Industrial Center)
CC: Carrie Campbell

Ms. Quillet and Mr. Christopher,
 Thank you again for the opportunity to meet with the DeKalb County Schools Selection Committee for the Comprehensive Arts School Project.

Would either or both of you be available to meet us on Friday 10/6 for debrief to discuss where we could improve?

Thank you for your time.

Paul M. Miley
 Senior Project Manager
 770.856.0641 (c)
 404.965.3453 (d)



[Website](#) | [Office](#) | [LinkedIn](#) | [Twitter](#)

Question **Sent:** Mon 2/12/2018 3:53:06 PM (UTC)


From: Paul Miley
To: Belinda Quillet (Mountain Industrial Center)

Good Morning,
 I hope that you are doing well. In our continuous pursuit to improve on our RFQu responses, I wanted to see what the protocol was for reviewing other firm's submissions.

Please let me know at your earliest convenience.

Thank you.

Paul M. Miley
 Senior Project Manager
 770.856.0641 (c)
 404.965.3453 (d)



[Website](#) | [Office](#) | [LinkedIn](#) | [Twitter](#)

We did not identify emails implying the selection of Winter for the Indian Creek ES project was due to an improper influence. The large change orders relate to method in which the District selects their general contractors. Specifically, they selected Evergreen as the general contractor for the pre-construction phase, and subsequently selected them again for the full construction phase (using a change order versus a new contract). This was the District's standard process for construction projects during our scope period and is addressed throughout Plante Moran's analysis.

For the Green Forrest Drive project, we did not identify bid sheets or the reason for selection of Winter as a vendor. However, after \$1.3M in spend with Winter, it appears the project was cancelled:

IV. Appendix



IV. Appendix

Plante Moran was engaged to perform a comprehensive audit of E-SPLOST IV and E-SPLOST V in accordance with RFP 23-543 – E-SPLOST Comprehensive Audit. While the scope of our engagement followed the District’s guidance and at times included items outside of the scope per the RFP, the District requested answers to the questions below. These answers, our procedures, impediments to our procedures, and any related findings to the District’s requested answers are noted below:

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
1	Did DCSD spend E-SPLOST IV and E-SPLOST V funding in accordance with established rules and guidelines, including standards and practices of the DCSD capital program and all local state and federal guidelines.	Plante Moran will select a sample of spending expenses for each project and compare spending details to the provided established rules guidelines.	Plante Moran tested all expenses for E-SPLOST IV and E-SPLOST V where support was available. Where we were not limited by the availability of documentation to test, we reviewed the support to compare to established rules and guidelines.	<p>Due to the District’s lack of retained documentation, Plante Moran was not able to verify that all funds were expended in accordance with established rules and guidelines, including standards and practices of the DCSD capital program and all applicable local state and federal guidelines.</p> <p>Documentation support received indicated numerous departures from District policy. Additionally, the District’s lack of documentation retained for audit prohibited our</p>	#7

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
				team from auditing the full extent of funds.	
2	Do the expenses match the established budget for each project? Compare “as built” vs. “as planned.”	<p>Plante Moran will obtain the total expense spending amount for each project and perform an actual to budget analysis to verify expenses were either under or at the established budget provided by DCSD.</p> <p>Plante Moran will inspect each project build expectation as set by DCSD and compare project build expectations against project build completion or current status as documented in the Monthly Status Report for the Capital Improvement Programs</p>	<p>Plante Moran inspected the documentation available for each expense item to determine their relevance to the scope of the related project.</p> <p>Plante Moran reviewed the financial reports provided by AECOM to the District on a monthly basis.</p> <p>Plante Moran requested and reviewed where available, the project closeout checklists for completed projects for E-SPLOST IV and E-SPLOST V.</p> <p>Plante Moran reconciled the Monthly Status Reports to the reconstructed ledger for expenses through the date of each Monthly Status Report.</p>	<p>Based on the information provided by the District, we were able to confirm expenses match the established budget for each project to a material extent. These financial reports were provided by AECOM to DCSD on a monthly basis providing sufficient documentation to demonstrate that a material portion of the funds disbursed were in alignment with the scope of planned projects.</p> <p>Where documentation was available, we noted \$23m in expenses, the nature of the expense was unable to be agreed to the scope of the project.</p> <p>The District did not maintain completed closeout documentation for each project, limiting our ability to conclude the District effectively</p>	#10, #7

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
				<p>monitored “completed” vs. “planned”.</p> <p>Not all monthly status reports were available on the District’s C.I.P. website. Projects listed as “not active” in the monthly status reports had costs assigned to them</p>	
3	<p>What did DCSD buy, and was spending performed in compliance with what DCSD said it was going to do? This includes a review of whether the end project (or work-to date) matches the contract; whether the contract matched the DeKalb County Board of Education (BOE) authorization and whether the BOE authorization matches what was stated in the E-SPLOST referendum. This should include but not be limited to scope, cost and schedule.</p>	<p>Plante Moran will obtain and inspect each project contract to verify it matches the DeKalb County Board of Education (BOE) authorization thresholds as provided by DCSD.</p> <p>Plante Moran will obtain and inspect the E-SPLOST referendum to verify the BOE authorization stated matched the referendum provided.</p> <p>Plante Moran will obtain and inspect the total expense spending detail for each project to verify spending was in</p>	<p>Plante Moran inspected the documentation for every expense for each project where documentation was available to compare the nature of the expense to the approved spending plan.</p>	<p>The District was unable to provide all requested contracts and expense support.</p> <p>Where documentation was available, we noted \$23m in expenses, the nature of the expense was unable to be agreed to the scope of the project.</p>	#7

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
		<p>compliance with the approved and signed contract as provided by DCSD.</p>			
4	<p>Have the capital improvement projects utilizing E-SPLOST funds been managed according to DCSD Board Policy regarding budget allocation, procurement, contract and change order execution, expenditures, and reporting?</p>	<p>Plante Moran will obtain the population of capital improvement projects that have utilized E-SPLOST funds.</p> <p>Plante Moran will verify funds have been managed according to the DCSD Board Policy regarding budget allocation, procurement, contract, and change order execution, expenditures, and reporting.</p>	<p>Plante Moran created a detailed population of capital improvement projects that utilized E-SPLOST funds in the form of a ledger of E-SPLOST transactions and tested, when the documentation was available, the compliance of the expenditures with DCSD Policy regarding budget allocation, procurement, disbursement, change order management, interim reporting, and financial accounting.</p>	<p>The District was unable to furnish a detailed population of all capital improvement-related expenses utilizing E-SPLOST funds, necessitating Plante Moran’s involvement in the creation of the detailed expense ledger.</p> <p>Exceptions were identified throughout all process areas (budget allocation, procurement, disbursement, change order management, interim reporting, and financial accounting) leading us to conclude that projects were not managed according to Board Policy.</p>	#1-#11
5	<p>Were tax funds expended efficiently and</p>	<p>Plante Moran will determine spending</p>	<p>Plante Moran reviewed the contracts the District entered into</p>	<p>For 5,000 expense line items, the District was</p>	#3, #4

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
	economically, so as to secure to DCSD the maximum possible benefit from the tax dollars collected?	efficiency and economic requirements as established by DCSD and compare those requirements against tax fund expenditures to verify they meet or exceed established requirements.	with its vendors, when contracts where available.	unable to produce purchasing terms/contracts. We observed multiple instances of inefficient spending especially relative to soft costs (i.e. CM fee discrepancy, staffing, general conditions, insurances, etc.)	
6	Were sales tax proceeds disbursed in a fiscally responsible manner?	Plante Moran will determine fiscally responsible disbursement requirements as established by DCSD and compare sales tax proceed disbursements for all projects against these requirements to verify they meet or exceed expectations.	Plante Moran tested all expenses for E-SPLOST IV and E-SPLOST V that where support was available to be tested. We tested for compliance with applicable rules, regulations, policies, and overall best practices.	Sales tax proceeds were not disbursed in a fiscally responsible manner. Plante Moran noted a lack of internal controls within the disbursement function of the District. Instances of duplicate payments, unsupported payments, and a lack of justification for expenses were found.	#7, #8
7	Were adequate administrative controls established to ensure the proper management of the	Plante Moran will review established administrative controls against best practices to determine if adequate	Plante Moran established an expected control framework based on applicable rules, regulations, policies, and industry best practices. We met with District	We noted a significant lack of controls in throughout the District's management of E-SPLOST IV and E-SPLOST V funds.	#8

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
	sales tax proceeds received by DCSD?	controls were established. Plante Moran will compare project spending and management against established administrative controls to verify sales tax proceeds received by DCSD were properly managed.	personnel and AECOM to understand their procedures to execute the stated controls and evaluate whether the expected controls were in place and adhered to throughout E-SPLOST IV and E-SPLOST V.	Controls were either not in place, or if in place, were not operating to the level we would expect for a \$1B capital improvement program.	
8	Were DCSD's construction project expenditures comparable to other School Districts' building construction program expenditures in the metro Atlanta area?	Plante Moran will obtain and inspect comparable metro Atlanta area School District building construction program expenditures and compare those program expenditures to DCSD's construction project expenditure to determine whether spending was in line with expectations and industry standards.	Plante Moran reviewed several other large education sector projects in the metro Atlanta area.	For SPLOST IV and V, DCSD utilized a Construction Manager at Risk (CMr) approach with a guaranteed maximum price (GMP) in addition to a "prototype" approach for new construction projects. The District's cost per square foot range is within expectations for the time period and geographic region.	N/A
9	Were DCSD's technological expenditures reasonable	Plante Moran will obtain and inspect the	We met with DCSD individuals and noted no cost-based analysis was	The District did not perform a cost-based	N/A

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
	considering the volatile market environment for these products?	<p>population of DCSD’s technological expenditures and evaluate expenditures for alignment with criteria agreed upon between Plante Moran and DCSD, including but not limited to:</p> <ul style="list-style-type: none"> • Number and listing of comparable providers of product • Inspection of cost-based analysis performed by DCSD prior to expenditure • Timeline requirement for technological expenditure based on type and need of product 	<p>performed prior to the initial E-SPLOST IV and E-SPLOST V spendings. Plante Moran performed a cost vs. market analysis on the District’s behalf</p> <p>In our analysis we found the district was paying at or below market price for technology purchases. Based on the documentation we reviewed we did not identify outside of industry standards related to a timeline for technology expenditure. Due to the District paying at or below market price for their purchases, we deemed further investigation of alternative providers low risk.</p>	<p>analysis, and a material portion of documentation related to IT purchases was destroyed prior to our audit, limiting our ability to review all technology purchases.</p> <p>Based on the documentation we were able to review, the District was paying at or below market price for IT purchases.</p>	
10	Has the investment of the sales tax proceeds received by DCSD been conducted in a sound fiscal manner?	Plante Moran will evaluate applicable investment activity for alignment with DCSD investment policy. We will provide DCSD with a report summarizing	Plante Moran established an expected control framework based upon applicable rules, regulations, policies, and industry best practices. We met with District personnel and AECOM to understand their procedures to	Plante Moran noted the District lacked internal control over the management of sales tax proceeds, characterized by instances of unfavorable contracts,	#1-#11

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
		investment allocation and detail transactions that were executed in a fashion inconsistent with DCSD investment policy.	execute the stated controls and evaluate whether the expected controls were in place and adhered to throughout E-SPLOST IV and E-SPLOST V.	significant lack of controls, unauthorized document destruction, and lack of internal communication within the District	
11	Is the public reporting of E-SPLOST funds accurate and complete?	Plante Moran will obtain the population of public reported E-SPLOST funding and compare this funding against receipt of E-SPLOST amounts to verify public reporting of funds are accurate and complete.	Plante Moran was required to invest a significant amount of time to reconstruct an itemized ledger which reconciled to/comprised the monthly reports provided to the public	<p>It is our understanding that the District created Weekly Budget Reports/Budget & Spend Reports, which were used to create a monthly report to the public called “Financial Report for the E-SPLOST Capital Improvement Program”.</p> <p>We leveraged these reports to identify the total spend for -ESPLOST projects. However, when trying to obtain an itemized listing of the individual expenses with vendor-level detail that comprise this ledger, the District was unable to produce such information (ex. General ledger transactions were posted as journal entries without</p>	#2

No.	RFP Requirement	RFP Response	Procedures	Impediments and Conclusion	Finding No.
				<p>vendor information, especially as batches were used to convert data from Cross Point to Munis).</p> <p>In addition, we are unable to validate the accuracy of the transaction detail given the significant number of missing/destroyed documents.</p>	