

THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Dr. Robert Avossa, Superintendent
Chair and Members of the Audit Committee

FROM: Lung Chiu, Inspector General *KLC*

DATE: February 1, 2018

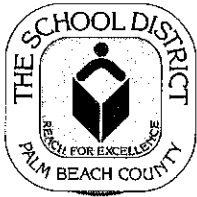
SUBJECT: Transmittal of Final Investigative Report
Case # 17-653 Waters Edge Elementary

In accordance with School Board Policy 1.092, we hereby transmit the above-referenced final report.

The report addresses an allegation regarding missing coupon books for the Safety Patrol Fundraiser at Waters Edge Elementary School. The results of the investigation concluded the allegation was substantiated.

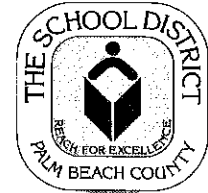
The results of this investigation were referred to the Office of Professional Standards for necessary action.

The report is finalized and will be posted on the Inspector General's website;
www.palmbeachschools.org/inspectorgeneral



Robert M. Avossa
Superintendent

**SCHOOL DISTRICT OF PALM BEACH
COUNTY
OFFICE OF INSPECTOR GENERAL**



K. Lung Chiu
Inspector General

INVESTIGATIVE REPORT

Case Number:

17-653

Date of Complaint:

July 26, 2017

Complainant:

Office of Professional Standards

Subject:

Waters Edge Elementary Teacher Director Alycia Oldfield

Witness:

Save Around Sales Manager Dana Roman

Type of Report:

FINAL

AUTHORITY

School Board Policy 1.092 provides for the Inspector General to receive and consider complaints, and conduct, supervise, or coordinate such inquiries, investigations, or reviews, as the Inspector General deems appropriate.

This investigation was conducted by Senior Investigator Veronica Vallecillo in compliance with the *Quality Standards for Investigations, Principles and Standards for Offices of Inspector General*, promulgated by the Association of Inspectors General.

INTRODUCTION

On July 15, 2017, the Office of Professional Standards forwarded a complaint to the Office of Inspector General (OIG) that was sent by the Waters Edge Elementary Principal Joshua Davidow on June 26, 2017. The complaint alleged 97¹ coupon books related to a safety patrol fundraiser were unaccounted for.

The complaint was received by the Investigative Unit of the Office of Inspector General on July 26, 2017.

BACKGROUND

Waters Edge Elementary is located in Boca Raton, Florida. Waters Edge Elementary has 864 students enrolled. The Principal of Waters Edge Elementary is Joshua Davidow.

¹ The OIG later determined there were 95 books unaccounted for.

ALLEGATION AND FINDING²

1. The allegation that there were 95 coupon books unaccounted for. *Substantiated.*

GOVERNING DIRECTIVES

- School Board Policy 2.16 Fundraising Activities Relating to Schools.
- District Internal Accounts Manual – Chapter 19.

ALLEGATION 1: EVIDENCE & TESTIMONY

Testimony of Teacher Alycia Oldfield

Oldfield said that she has been involved with the safety patrol fundraisers every year she has been at the school.

Oldfield stated that when she received the shipment of coupon books, she was given an invoice to sign confirming the order. Oldfield said she counted the boxes received, but did not count the contents of the individual boxes. Oldfield believes there may have been approximately 20-25 coupon books per box for a total of 800 books. Oldfield stated she completed the fundraising application prior to starting the fundraiser and kept the fundraiser open for approximately 5 months. Oldfield noted the cost of the books were \$12.50 each and were sold for \$25. Staff members could buy the books at cost.

Oldfield stated that she ordered an additional 100 coupon books from the vendor because there was only a half of a box left and students were still asking for books.

Oldfield stated her process was to provide students with a sign-out sheet which showed the number of books received by students and also noting that they were responsible for the books taken. Oldfield said she kept track of any requests for additional books in writing. Oldfield explained that she did not maintain a daily log of inventory/sales, but she did keep a handwritten spreadsheet.

Oldfield stated when the vendor sent the invoice, she paid it although the fundraiser was still ongoing. Oldfield noted she verified the amount of books on the invoice against the document she received with the initial order to ensure it was accurate. Oldfield confirmed she did not perform a reconciliation of inventory and books sold prior to paying the invoice. Oldfield explained the close out documentation for the fundraiser was not completed until the end of the school year and therefore she did not notice the discrepancies until that time. Oldfield stated she completed the Sales Inventory Report based on documentation provided by the bookkeeper that showed the amounts deposited and invoices paid.

Oldfield stated she tried to reconcile her documents to determine the reasons for the discrepancy of the book count. Oldfield said she has 18 books left which remain in her classroom.

² The OIG findings were determined using the standards that appear on the signature page at the end of this report.

Oldfield stated she did not steal any money or sell books on the side to benefit herself. Oldfield opined that it is possible that the discrepancy may be related to not receiving the correct number of coupon books. Oldfield noted this issue has never happened in past fundraisers.

Testimony of Save Around Sales Manager Dana Roman

Roman confirmed Waters Edge Elementary initially ordered 850 coupon books. Waters Edge Elementary later ordered an additional 100 books. Roman was not sure of the date the additional order was placed. Roman said the coupon books were delivered in sealed boxes with 25 books in each box.

Roman stated it is not common for schools to have issues where that many books (100) are unaccounted for. Roman said it is improbable for boxes to be missing books because they come sealed.

Roman stated she ensures payments from the schools are finalized by the end of the calendar year. Roman noted they work with the schools to resolve any issues because they do not want to add stress to the teachers. Roman explained that schools can return books that were not sold prior to being invoiced. Roman stated that she has a record showing that Waters Edge returned 50 books, but did not have an exact date when they were returned.

Documentation Reviewed

The OIG reviewed the Fundraising Application, Sales Item Inventory Report, and the general ledger for the decimalized internal fund account assigned to the safety patrol fundraising activity at Waters Edge Elementary.

The Fundraising Application reflects the fundraiser sales began August 19, 2016, and ended November 1, 2016. The Sales Item Inventory Report was not signed by Ms. Oldfield until May 26, 2017. Additionally, the decimalized internal fund account established for the fundraiser shows the last deposit was made on April 11, 2017, and the account was closed April 27, 2017.

The fundraising records reflect that a total of 900 coupon books were ordered from the vendor to be sold for \$25 each and to school staff for \$12.50 each.

According to the Sales Item Inventory Report prepared by Oldfield, 785 coupon books were sold, 97 coupon books were "Given Away/Missing, etc." and there was an ending inventory of 18 books for total sales of \$19,225 as follows:

Description	#	Price	Total
Purchased Books from Vendor	900		
Coupon Books Sold to Staff at Cost	32	\$12.50	\$400
Coupon Books Sold at Regular Price	753	\$25.00	\$18,825
Total Sales	785		\$19,225
Ending Inventory	18		
Variance of Coupon Books (Shortage)	(97)		

The internal account reflects total deposits of \$19,223, showing a variance of \$2.00 from the total sales amount indicated on the Sales Item Inventory Report.

The internal account shows that the vendor was paid a total of \$11,250 during November and December 2016. Specifically, the first payment is dated November 21, 2016, totaling \$10,625 and the second payment is dated December 1, 2016, totaling \$625. At a cost of \$12.50, the first payment correlates to 850 coupon books and the second payment to 50 books.

The OIG attempted to reconcile the number of coupon books sold based on the deposit information from the decimalized internal fund account and the costs of each coupon book³. The OIG's reconciliation reflects that approximately 95 books are unaccounted for. The Sales Item Inventory Report indicated that 97 coupon books were "Given Away/Missing, etc."

Based on the OIG's reconciliation, the value of the unaccounted coupon books totaled \$1,187.50 at the cost price of \$12.50 each, and totaled \$2,375 at a sales price of \$25 each⁴.

Chapter 19 of the District's Internal Accounts Manual states, in part, that the sponsor must:

- Be responsible for maintaining detailed records of inventories and cash collections during a fundraiser.
- Count the resale items at the beginning and end of the fundraiser.

Based on testimony obtained and documentation reviewed, the OIG determined that the allegation that there were 95 coupon books unaccounted for was *Substantiated*. However, the OIG was not able to determine the location of the unaccounted books or the cause of the discrepancy due to the lack of supporting documentation and the sponsor not properly maintaining inventory records.

RECOMMENDATION

It is recommended that the Office of Professional Standards review the allegation and take whatever action is deemed appropriate.

AFFECTED PARTY NOTICE

In accordance with *School Board Policy 1.092 (8)(b)(iv)*, on December 13, 2017, Alycia Oldfield was notified of the investigative findings and provided with an opportunity to submit a written response to these findings. No response was received from Ms. Oldfield.

³ There were no logs available from Ms. Oldfield of individual sales to assist with the reconciliation.

⁴ Based on assumption of all 95 books sold at \$25. Does not account for books that may have been sold to staff for \$12.50.

DISTRIBUTION

Palm Beach County School Board Members
Robert M. Avossa, Superintendent
Audit Committee Members
Office of Professional Standards
OIG file

Investigation Conducted by:

Veronica Vallecillo, CIGI



2-1-2018

Date

Investigation Supervised by:

Oscar Restrepo, CIGI, Director of Investigations



2-1-2018

Date

Investigation Approved by:

K. Lung Chiu, CIG, Inspector General



2-1-18

Date

The evidentiary standard used by the School District of Palm Beach County OIG in determining whether the facts and claims asserted in the complaint were proven or disproven is based upon the preponderance of the evidence. Preponderance of the evidence is contrasted with “beyond a reasonable doubt,” which is the more severe test required to convict a criminal and “clear and convincing evidence,” a standard describing proof of a matter established to be substantially more likely than not to be true. OIG investigative findings classified as “substantiated” means there was sufficient evidence to justify a reasonable conclusion that the actions occurred and there was a violation of law, policy, rule, or contract to support the allegation. Investigative findings classified as “unfounded” means sufficient evidence to justify a reasonable conclusion that the actions did not occur and there was no violation of law, policy, rule, or contract to substantiate the allegation. Investigative findings classified as “unsubstantiated” means there was insufficient evidence to justify a reasonable conclusion that the actions did or did not occur and a violation of law, policy, rule, or contract to support the allegation could not be proven or disproven.