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PALM BEACH COUNTY, FLORIDA

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MEMORANDUM

TO: Honorable Chair and Members of the School Board
Michael J. Burke, Superintendent
Chair and Members of the Audit Committee

FROM: Teresa Michael, Inspector General 

DATE: April 17, 2024

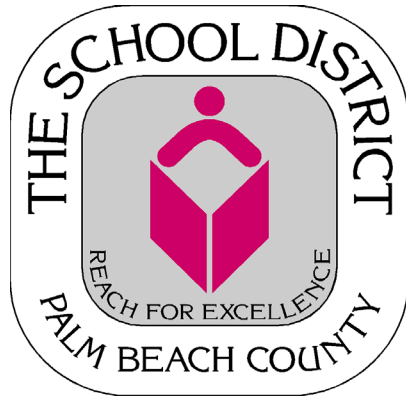
SUBJECT: Transmittal of Final Investigative Report:
24-0011-I Adult & Community Education Grant Funds

Attached please find a copy of the Palm Beach County School District Office of Inspector General (OIG) Final Report of OIG Case 24-0011-I. On December 1, 2023, the OIG received a referral complaint from Deputy Superintendent Edward Tierney via the Centralized Complaint Assessment & Referral Evaluation System (CARES). The anonymous complaint alleged grant funds awarded to Adult & Community Education in FY 2022-23 were mismanaged by Director Fred Barch as follows:

1. Lauri Basel, Case Manager, a grant funded position, did not provide direct support to students and staff and instead was Barch's "secretary."
2. Ana De La Garza, Case Manager, a grant funded position, was a Career Technical Education (CTE) instructor. Allegedly, CTE instruction was not the "purpose of the grant"
3. Patrice Cover, Specialist Assigned Function Program Project, was hired as a Senior Case Manager to oversee the Career Navigators Program. It was alleged a large percentage of Cover's time was spent expanding the CTE programs, which allegedly is an unallowable grant expenditure.

The OIG investigation concluded the allegation that Director Fred Barch mismanaged grant funds was **Unsubstantiated**.

In accordance with School Board Policy 1.092.9.b.iv., on March 11, 2024, the draft of this investigation was provided to Barch. A response was not received.



OIG CASE NUMBER 24-0011-I
Adult & Community Education Grant
Funds

TYPE OF REPORT: FINAL

DATE OF REPORT: April 17, 2024



Teresa Michael

Teresa Michael, Inspector General
Office of Inspector General
School District of Palm Beach County

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Office of Inspector General

Report of Investigation 24-0011-I

EXECUTIVE SUMMARY

From December 4, 2023 to February 5, 2024, the Office of Inspector General (OIG) conducted interviews and reviewed pertinent documentation and records related to an allegation that Director of Adult & Community Education Fred Barch mismanaged federal grant funds.

In 2022-2023 the Palm Beach County School District received approximately \$3 million from the Florida Department of Education (FDOE) to fund two programs. The funded programs were: Adult General Education (AGE) and Integrated, English and Civics Education (IELCE).

Specifically, it was alleged that during fiscal year 2022-2023 there were three Adult & Community Education grant-funded employment positions, where the employees in those positions had job responsibilities that did not fall within the allowable expenses of the grant guidelines. Based on the testimonies obtained, the OIG determined Barch had no intent to mismanage the grant funds. The OIG found there appeared to be a disconnect between the District's job descriptions, each employee's responsibilities, and the brief descriptions included in the grant budget narrative.

During the investigation, it was revealed that the funding sources for the three employee salaries in question were reclassified in July 2023 as a result of an Adult & Community Education Grants Manager bringing it to the attention of Barch. The reclassifications reflected two salaries were adjusted so as to cease grant-funding entirely and the third salary was adjusted so that only 80% was grant-funded.

The OIG investigation concluded the allegation that Adult & Community Education Director Fred Barch mismanaged grant funds in violation of the Project Application and Amendment Procedures for Federal and State Programs (Green Book) was **Unsubstantiated**.

On March 11, 2024, the OIG forwarded a copy of the draft report to Fred Barch for a response. Barch did not provide a response.

RECOMMENDATION

The OIG recommends the Director of Adult & Community Education work with Human Resources to develop job descriptions consistent with requirements for grant-funded

positions and ensure the grant narratives include specific information regarding positions and programs, to avoid confusion.

INVESTIGATIVE PREDICATE

On December 1, 2023, the Office of Inspector General (OIG) received a referral complaint from Deputy Superintendent Edward Tierney via the Centralized Complaint Assessment & Referral Evaluation System (CARES). The anonymous complaint alleged grant funds awarded to Adult & Community Education in FY 2022-23 were mismanaged by Director Fred Barch as follows:

1. Lauri Basel, Case Manager, a grant-funded position, did not provide direct support to students and staff and instead was Barch's "secretary."
2. Ana De La Garza, Case Manager, a grant-funded position, was a Career Technical Education (CTE) instructor. The complaint further alleged CTE instruction was not the "purpose of the grant"
3. Patrice Cover, Specialist Assigned Function Program Project,¹ was hired as a Senior Case Manager to oversee the Career Navigators Program. It was alleged a large percentage of Cover's time was spent expanding the CTE programs, which allegedly is an unallowable grant expenditure.

On December 1, 2023, OIG Investigator Veronica Vallecillo was assigned this complaint for investigation.

The OIG investigation concluded that the allegation against Director Fred Barch was Unsubstantiated. The investigation findings of the allegation will be discussed in detail later in this report.

BACKGROUND

According to the District website, Adult and Community Education serves more than 34,000 students per year and offers comprehensive instructional programs designed to improve the employability of the state's workforce by increasing the number and percentage of adult education students who enter post-secondary education and earn a degree, certificate, and/or industry credential.

In 2022-2023 the Palm Beach County School District received approximately \$3 million in federal grant funds from the Florida Department of Education (FDOE) related to

¹ Title listed in PeopleSoft

programs Adult General Education (AGE) and Family Literacy and Integrated, English and Civics Education. (IELCE)

The FDOE's website states that the vision of Florida's adult education system is to hold learners at the center and deliver outcomes that promote full participation in the workforce, result in high-quality credentials of value and close equity and achievement gaps. The work of transforming Florida's adult education system is now guided by the following strategic priorities:

Priority 1: Promote regional partnerships to ensure comprehensive approaches that result in improved learner outcomes;

Priority 2: Expand the state's talent pipeline through attainment of credentials of value and acquisition of postsecondary certifications, industry-recognized credentials and degrees;

Priority 3: Ensure all learners receive high quality instruction that prioritizes measurable labor market needs and outcomes while working to eliminate equity and achievement gaps in the community; and

Priority 4: Incent, measure, and support enhanced program effectiveness.²

As a recipient of the grant, the award notification established that the project and any amendments are subject to the procedures outlined in the Project Application and Amendment Procedures for Federal and State Programs (Green Book) and the General Assurances for Participation in Federal and State Programs and the terms and requirements of the Request for Proposal or Request for Application, RFP/RFA, hereby incorporated by reference.

COMPLAINT REFERRAL INFORMATION

The OIG received a referred complaint from Deputy Superintendent Edward Tierney via the Centralized Complaint Assessment & Referral Evaluation System (CARES). The anonymous complaint alleged Adult & Community Education Director Fred Barch mismanaged Fiscal Year 2022-2023 grant funds as follows:

1. Lauri Basel, Case Manager, a grant funded position, did not provide direct support to students and staff and instead was Barch's "secretary."
2. Ana De La Garza, Case Manager, a grant funded position, was a Career Technical Education (CTE) instructor. Allegedly, CTE instruction was not the "purpose of the grant"
3. Patrice Cover, Special Assigned Function Program Project, was hired as a Senior Case Manager to oversee the Career Navigators Program. It was alleged a large percentage

² www.fldoe.org/academics/career-adult-edu/funding-opportunities/2023-2024-funding-opportunities/WIOAGrants

of Cover's time was spent expanding the CTE programs, which allegedly is an unallowable grant expenditure.

ALLEGATION

It is alleged that Adult & Community Education Director Fred Barch mismanaged grant funds in violation of the procedures outlined in the Project Application and Amendment Procedures for Federal and State Programs (Green Book) by allowing three Adult & Community Education employees' salaries to be paid using grant funds, even though their responsibilities were not aligned with the grant.

The "Green Book" provides the following, in part: **(Exhibit 1)**

- Recipients of funding are expected to be aware of program-specific requirements that may pertain to their particular fund source;
- The intent of the procedures is to: 1. Establish uniform requirements and forms for common elements of project approval, 2. Provide project recipients with as much flexibility and local discretion as possible in the daily management of project activities while maintaining fiscal and programmatic accountability and 3. Increase project recipient responsibility for self-monitoring of compliance with fund source requirements.
- Recipients are responsible for determining that all disbursements comply with applicable laws, regulations, statutes, rules, policies, procedures, and program requirements, regardless of the payment method assigned to the project award.

Regarding administrative costs, the Green Book establishes that the salaries of administrative and clerical staff, should normally be treated as indirect Facilities and Administrative (F&A) costs.³

The Green Book establishes that Direct charging of these costs may be appropriate only if all of the following conditions are met: 1. Administrative or clerical services are integral to a project or activity; 2. Individuals involved can be specifically identified with the project or activity; 3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and 4. The costs are not also recovered as indirect costs.

Additionally, the Green Book defines an "allowable cost" as "expenditures under a grant/project that are specifically permitted, (or not specifically prohibited), by law, regulation, or guidance from the Office of Management and Budget, federal accounting standards, or other authoritative sources. The cost incurred is reasonable; necessary; allocable; conforms with any limitations or exclusions set forth in the federal or state cost

³ <https://www.fldoe.org/core/fileparse.php/5625/urlt/0076969-coverpage.doc>

principles or in the award notification as to the type or amount of cost; consistent with regulations, policies, and procedures; accorded consistent treatment as a direct or indirect cost; determined in accordance with generally accepted accounting principles; and not included as a cost in any other award.”

WITNESS INTERVIEWS

On December 13, 2023, a sworn recorded interview of Adult & Community Education Compliance and Special Projects Manager Jane Kim was conducted at the Office of Inspector General in West Palm Beach, FL. The following represents actual and paraphrased statements made by “Kim” as they relate to the Allegation:

Kim has been employed in Adult & Community Education since 2008, with the exception of when she left the District in January 2021 and returned at the end of December 2022. Kim is currently a Compliance and Special Projects Manager.

Kim explained that some of her current responsibilities include grant writing and management/compliance, implementing department policies and procedures, and special projects as assigned.

Kim explained that historically, Adult & Community Education has received grant funding from the state and federal levels. For the school year 2023-2024, Adult & Community Education was awarded approximately \$3 million from two Federal grants: Adult General Education (AGE) and Integrated English Literacy and Civics Education (IELCE). The two Federal grant funds became effective July 1, 2023 and remain until June 30, 2024.

Kim explained that she prepared all the information for the 2023-2024 grant applications in April 2023. The grant application was reviewed by her supervisor, Fred Barch.

Kim stated that although Adult & Community Education is not required to submit monthly reports of grant fund expenditures, enrollment and skill gains are reported via the Student Information System (SIS). Additionally, FDOE periodically conducts monitoring visits. Kim noted a visit is scheduled in April 2024. Kim explained that during the April 2024 visit, a representative will review purchasing processes, job descriptions, technical assistance papers, and randomly interview staff for grant funds that were awarded during 2021 through present. Kim noted that in her opinion Barch “is a little nervous” for the upcoming meeting, because he has asked her several times if he is going to be part of the meeting.

Kim explained that during a review she conducted of the 2022-2023 grant fund expenditures, she noted the following concerns:

1. Case Manager Lauri Basel’s salary was paid with grant funds. Kim noted, “That was strange to me” that Basel’s salary was paid with grant funds since she is Barch’s secretary. According to Kim, Basel’s duties include maintaining Barch’s calendar and

processing payroll. Kim further noted that a grant funded case manager position is required to “provide direct support to students and teachers” and conduct “outreach.”

2. Case Manager Ana De La Garza’s position was paid with grant funds, although she is a phlebotomy instructor. Kim noted Garza’s salary was not an allowable grant expense.

3. Specialist Patrice Cover’s salary was paid with grant funds. According to Kim, Cover was hired to oversee the Career Navigators program. However, a large portion of Cover’s time was spent on expanding Career and Technical Education (CTE) programs. Therefore, her position should have been “split funded.”

Kim explained that on February 15, 2023, she met with Barch and Adult & Community Education Manager Brian Heisler to discuss the above concerns. Kim noted Heisler managed the grants during the time she was not with the District. Kim said that in her opinion Barch got “defensive” with her and said that Basel was “not his secretary.” Kim advised Barch that the above employees’ salaries needed to be adjusted and/or removed from the grant expenditures. Kim noted that during the meeting, Heisler agreed and “knew Basel shouldn’t be on the grant.” After the meeting, Barch thanked Kim for bringing her concerns to his attention.

Kim said that the concerns mentioned above were corrected around June/July 2023, even though she brought it to Barch and Heisler’s attention on February 15, 2023. Kim said she often reminded Heisler to make the corrections. Heisler told her he had submitted the paperwork, but Barch did not approve the change until sometime in either June or July 2023. Kim stated that had the corrections been addressed in February, amendments could have been submitted to FDOE and the funds could have been used for other allowable expenditures.

Kim stated that at some point after her meeting with Barch and Heisler in February, Barch asked her in person if it would be okay to leave the above concerns as is until the following year. Kim said she felt “pressure” from Barch. However, she explained to Barch she was not comfortable with that.

On December 19, 2023, a sworn recorded interview of Adult & Community Education Compliance and Special Projects Manager Brian Heisler was conducted at the Office of Inspector General in West Palm Beach, FL. The following represents actual and paraphrased statements made by “Heisler” as they relate to the Allegation:

Heisler has been a Manager of Compliance and Special Projects since March 2021. Heisler stated that he oversees the Adult & Community Education budget, technology aspects of the department, data and collection of student information, and the testing center teams. Heisler noted that the department hired Jane Kim to manage grants. Prior to Kim coming on board, Heisler managed the previous grant cycles (FY 2020-2021;2022-2023). Heisler explained that as part of his grant management responsibilities, he

completed the application which included a narrative and budget narrative that was provided to Barch for review and approval. Additionally, he was responsible for ensuring the grant funds were properly spent in accordance with FDOE rules and regulations. The OIG asked Heisler if there were any concerns or issues with grant expenditures related to the grant cycle he managed. Heisler responded, “not that I can recall.”

The OIG asked Heisler if Kim had reported any concerns or issues. Heisler explained he had discussions with Kim regarding adjusting the roles of certain positions to ensure they met guidelines for the new grant cycle. The OIG asked Heisler if he was familiar with any issues related to positions/employees paid using grant funds in which their duties were not aligned with the grant narrative. Heisler explained, “I guess there’s been times with some of the people...have done more than what’s written into the grants.”

Regarding Basel, Heisler said she was paid using grant funds “for a little bit.” Heisler was unsure of the exact timeframe. Heisler explained that Kim mentioned to him, when she came on board, that Basel’s responsibilities did not meet the allowable expenditure criteria. Heisler explained that Barch initially hired Basel as a “case manager” with duties related to marketing and outreach. But her duties changed to working one-on-one with Barch as a secretary/administrative assistant. Heisler said that he, Kim, and Barch met to discuss Basel’s position. Heisler said that Kim “pushed” for Basel’s salary to be “moved out of the grant.” During the meeting, Barch “wasn’t for it” because he (Barch) felt there was a way that Basel’s position could be justified to continue to be paid using grant funds.

Heisler said he and Kim met with Budget Operations Manager William Dufresne to determine how to adjust the grant expenditures accordingly. Heisler said that Barch “fought us for a little while” on the matter, but ultimately approved the paperwork to make the necessary adjustments. The OIG asked Heisler if there was a benefit for Barch to keep Basel’s position as grant funded. Heisler did not believe Barch incurred a benefit having the position be grant funded. Heisler added that by moving the position out of the grant would have made Barch have to find a way to spend the funds if Basel’s salary was moved from the grant.

The OIG asked Heisler if he was aware of the issue with Basel’s position. Heisler said he was aware of the change in Basel’s responsibilities but did not bring it to Barch’s attention. Heisler added he was not focused on that and “just let it happen.” The OIG asked Heisler if what took place was mismanagement of grant funds. Heisler opined that what took place was mismanagement of grant funds. Heisler noted he “did not consider the ramifications of it.”

Additionally, Heisler said there were other positions that Kim noticed were an issue that were discussed with Barch. The funding of these positions was subsequently adjusted, at the same time the adjustment for Basel took place, as follows:

1. Patrice Cover’s position was adjusted so that only a portion of her salary was paid with grant funds (80%). Cover’s position was to oversee the Career Navigators Program.

However, it appeared that Cover's role also included CTE programs. Heisler noted that Barch gave "a little push back" because he felt Cover's role could be justified as part of the grant.

2. Delray Full-Service Transition Center employee Ana De La Garza's position was also adjusted because her function was related to CTE.

On January 22, 2024, a sworn recorded interview of Adult & Community Education Case Manager Ana De La Garza was conducted at Delray Full-Service Center in Delray Beach, FL. The following represents actual and paraphrased statements made by "De La Garza" as they relate to the Allegation:

De La Garza has been employed by the district since May 2018. De La Garza started as a part-time vocational occupational health instructor. In August 2022, her previous supervisor Brian Killeen offered her a full-time instructor position. De La Garza noted Killeen told her that her title was going to be changed to case manager, although her responsibilities would remain the same.

De La Garza currently reports to Joseph Cortez. De La Garza said that she and Cortez have not discussed her title.

De La Garza did not have any knowledge that her position was grant funded during 2022-2023. The OIG asked De La Garza to review the case manager job description (**Exhibit 2**), specifically the responsibilities. De La Garza noted that was the first time she had seen the job description. After reviewing the responsibilities listed on the job description, De La Garza said she conducts certification exam workshops, plans academic outcomes, and assists with career development/goals.

De La Garza denied that anyone had talked to her or prepared her on how to answer questions regarding her responsibilities and/or title.

On January 23, 2024, a sworn recorded interview of Adult & Community Education Case Manager Lauri Basel was conducted at the Office of Inspector in West Palm Beach, FL. The following represents actual and paraphrased statements made by "Basel" as they relate to the Allegation:

Basel has been employed in Adult & Community Education since May 2021. Basel explained she was hired by Director Fred Barch as a "case manager for marketing." Basel noted that at the time she was hired, Barch had a vacancy for "his assistant." Basel said "she was glad to fill both of the roles [case manager and assisting Barch]."

Basel explained that as a marketing case manager she creatively changed the face of how the department advertised, ultimately reaching a broader audience. Some of Basel's specific responsibilities included direct mail advertising (Valpak), presentations to Assistant Principals on different marketing strategies, advertising at different

organizations, and organizing luncheons. Additionally, Basel processed the department's payroll, answered day to day phone calls, and provided support to schools and programs.

Basel explained that sometime in 2023, Valpak and contract responsibilities were taken away from her and she was informed that her position was moved. **Investigator Note: position number and funding source were changed, pay and title were not affected.** Basel stated that currently she does marketing-related things, assists Barch, and processes payroll.

The OIG asked Basel if she was familiar with her job description. Basel said that she looked at the job description when she applied for the job. The OIG provided Basel with the job description for "Case Manager – Adult Education" for her review (**Exhibit 2**). Basel stated that she is not specifically assigned to students or teachers but she does "support" the department specialists that go to the schools. Basel then noticed the job title on the description and said she believed the job description she reviewed when she applied may have been for a "case manager for marketing."

Basel was aware that there is an upcoming FDOE audit because the department was notified by Kim via email. Basel denied being coached or prepared by Barch or anyone else regarding her responsibilities.

On January 29, 2024, a sworn recorded interview of Adult & Community Education Specialist Assigned Function Program Projects Patrice Cover was conducted at the Office of Inspector in West Palm Beach, FL. The following represents actual and paraphrased statements made by "Cover" as they relate to the Allegation:

Cover has been employed in Adult & Community Education for approximately two years. Although Cover's official title is Specialist Assigned Function Program Projects, Cover has other titles she uses such as, CTE Specialist, Workforce Specialist, and Career Navigator Specialist.

Cover stated that she was hired by previous Adult & Community Education Manager John Hay and Fred Barch. Cover was hired to assist with the creation of a program for career counselors known as Career Navigators. Cover was given goals and objectives that aligned with the grant narrative (**Exhibit 3**). The Career Navigators program assists with job placement skills, resume assistance, and provides assistance to students with barriers that interfere with their education. Although the program is in place, Cover still works on the program and often reassesses the program to determine if improvements are needed. Cover has four case managers that she supervises that work directly with students. In addition to creating the Career Navigators Program, Cover was asked by Barch to also work on the CTE Program. Cover explained that CTE is similar to workforce development that encompasses programs such as health care and transportation fields.

Cover did not know exactly how often she was working on Career Navigators vs. CTE Programs. Cover stated, "It's kinda tricky because at the beginning it was a little muddier" since both programs were new. Cover noted it was helpful for her to understand CTE in

order to establish the Career Navigators Program. Cover added that she has worked both programs since she started.

Although Cover was aware that her position was grant-funded, she did not know specific details. Cover stated that during a conference in July 2023, she walked up to a discussion that Barch, Kim, and Heisler were having regarding trying to figure out the funding source for her pay. Cover said she did not receive much information or follow up subsequent to that conversation. In October 2023, Cover received an email from the Budget Department requesting her signature on a document certifying that her workload was split where 80% of it was aligned with the grant and 20% can be other tasks not necessarily in line with the grant. Cover stated she was not aware of the split and no one discussed the form with her prior to her receiving the document. Cover signed the document, but vocalized concerns to Barch that she did not have a full understanding of what she was signing. Cover noted she receives an email around every pay period for her to sign the document. However, she was not comfortable signing the document so Barch suggested she forward the email to him for him to sign it.

Cover was comfortable that her 80/20 split is in line with the grant. However, Cover explained she was not comfortable signing the document, because of the lack of transparency on Kim's part.

Cover stated no one has asked her to not be truthful about her job responsibilities.

Cover added that it would be helpful if when grant funded positions are created to obtain input from others and it be a collaborative effort, instead of one person writing the narrative, which leads to little flexibility and at times it becomes someone's interpretation of what the grant narrative says.

SUBJECT INTERVIEW

On January 31, 2024, a sworn recorded interview of Adult & Community Education Director Fred Barch was conducted at the Office of Inspector in West Palm Beach, FL. The following represents actual and paraphrased statements made by "Barch" as they relate to the Allegation:

Barch has been employed as the Director of Adult and Community Education since July 2017.

Barch stated that Adult & Community Education has a \$22 million budget and approximately \$3 million in grants. Barch allocates the funds throughout 34 sites. Grants manager Jane Kim oversees the Adult & Community Education grants. Barch added that although Kim is responsible for overseeing the grants, he reviews and approves the grant documents including the narratives. Barch said he has heard of the "Green Book", but has not gone through it. Barch noted that (Green Book) was something that fell under the grant manager responsibilities.

With regard to Lauri Basel, Barch stated he hired her a few years ago as a marketing case manager. Barch noted the department previously had a specialist who was in charge of the marketing program, but the position was downgraded to a case manager, which is what Basel filled. Barch stated that Basel's responsibilities included marketing related responsibilities but she also had other responsibilities such as processing the department's payroll and taking phone calls regarding the various department programs. Barch added that Basel "helps out a lot with things." Barch said he was "not sure" if Basel working on the Adult & Community Education payroll was an issue as it related to grant expenditure guidelines.

The OIG asked Barch if he considered Basel his administrative assistant. Barch explained that he has an administrative assistant position that is currently vacant. Barch noted that he does a lot of his own things, but Basel provides support by putting together department programs, design layouts, and PowerPoint presentations.

Barch explained that currently Basel's responsibilities shifted due to a concern that Kim brought to his attention. Specifically, her concern that Basel's responsibilities were not in line with the grant guidelines. **Investigator Note: Barch did not recall the date of when Kim brought the concern to him.** Barch said he disagreed with Kim's concerns because Basel worked on marketing-related responsibilities such as magazine layouts etc.

With regard to Patrice Cover, Barch stated he and John Hay hired Cover to run the Career Navigator Program. Barch said that Cover works with the Career Navigator Program and CTE programs. Barch did not know what the grant narrative included regarding Cover's position and responsibilities.

Barch explained that Kim was concerned that Cover's responsibilities were not fully in line with the grant. Barch said he saw Cover's job as working with ESOL and GED students and informing the community about the available programs, and, therefore, was in line with the grant. However, since Kim was concerned, Cover's position was revised to be funded 80% from the grant.

With regard to Ana De La Garza, Barch stated her title is case manager, but she teaches at the Delray Full-Service site. Barch explained that she was originally an ESOL teacher and former site administrator and Brian Killeen moved her into a CTE instructor position. Barch noted the students she taught in the CTE program were ESOL students. However, because she was instructing medical assisting classes, she was pulled out of the grant budget. Barch stated that Kim also expressed concerns that De La Garza's position was not within grant guidelines.

Barch reiterated that he felt Basel and Cover's positions/responsibilities were closely tied to the grant and within grant guidelines. Barch explained that he and Kim discussed her concerns for a "while." However, "you have to trust the grant manager." Ultimately the changes were made to remove Basel and De La Garza from the grant and change Cover to a split funded position. Barch said the excess funds may not have been used for other

purposes because it required an amendment and the approval process for amendments can take a few months.

The OIG asked Barch if he was aware of the concerns regarding Basel, Cover, and De La Garza prior to Kim bringing it to his attention. Barch stated, "Not really, I don't think that I really thought of it that much."

Barch denied having any intent or benefit to mismanage the grant. Barch did not believe the grant was mismanaged. Barch added that the changes that needed to be made, were made when he was made aware of it. Additionally, Barch denied asking any staff to be dishonest about their position or responsibilities.

Barch explained that the job description the District has for a case manager is "general," and does not always align with what the position actually does and how it relates to the grant. Due to the generalities of the job descriptions, at times the grant narrative and job descriptions leave room for interpretation of what is allowable by FDOE in the grant guidelines. Barch added that Adult & Community Education has to follow District job codes and descriptions, but a lot of the job functions in Adult & Community Education differ from the K-12 model. As a result, sometimes Adult & Community Education adds additional information about the responsibilities to the position when it is posted/advertised. Barch noted additional information was added to Basel's position when it was advertised.

Barch commented that the idea is for Adult & Community Education to better the community and he feels they are doing that by offering various programs to the community. Barch added that the Adult & Community Education department is fiscally "fine" and has a solid reserve.

RECORDS ANALYSIS

The 2022/23 Request for Application (RFA) for the AGE grant (**Exhibit 4**), states that "Funds made available through AEFLA⁴ are purposed to supplement (not supplant) other state or local public funds expended for adult education and literacy activities. Funding will be made available to qualified eligible providers for the following adult education and literacy activities as defined in Section 203(2):

1. Adult Education,
2. Literacy,
3. Workplace adult education and literacy activities,
4. Family literacy activities,
5. English language acquisition activities,
6. Integrated English literacy and civics education,
7. Workforce preparation activities, or

⁴ The grant/program name is "Adult General Education (AGE) or English Language Acquisition (AEFLA Section 231)"

8. Integrated education and training (IET)

The RFA Funding Chart states an FDOE requirement: “Eligible Provider can ONLY use AEFLA funds to support IET programs approved by FDOE.” (Emphasis in original.)

The OIG obtained the grant records which reflect that FDOE approved the AGE and IELCE grants on August 30, 2022 and August 23, 2022, respectively. The project award notifications indicate the District received grant funding as follows: \$2,397,447 from AGE and \$661,731 from IELCE, totaling \$3,059,178. **(Exhibits 5 & 6)**

As part of the grant application, a written narrative **(Exhibit 7)** and budget narratives were submitted for both grants reflecting how the funds would be spent. Part B – Current Needs Assessment states, “The only changes from the original application are that the IET programs focused on earning a high school diploma or learning English while completing their Home Health Aide certification have been developed and implemented and the SDPBC will be developing IET programs with a focus on the Phlebotomy certification. The Phlebotomy program is an additional entry point for many to build a career and obtain valuable credentials in Medical Assisting.” Additionally, the narrative stated “SDPBC’s year-two plan will continue to ensure these efforts are accomplished through Career Pathways or one of our ABE, IET, ESOL, and GET programs.” The narrative did not mention CTE.

The three positions in the allegation were part of the AGE grant, as reflected in the AGE budget narrative. **(Exhibit 8)**. The narrative document reflects the percentage allocated was 100% for each position.

The narrative submitted by Adult & Community Education, did not include specific job responsibilities for each grant funded position. The narrative describes how the funds will be used and how it will serve the community. The budget narrative does however include a list of salaried positions and provides a brief description of what that position does as follows:

Partial AGE Budget Narrative (Salary Items Only)

| | |
|---|--|
| a | 1 Full-Time Specialists – IT Solutions I/II providing direct instructional support to students and teachers |
| b | 1 Full-Time Assigned Functions (Curriculum/Technology) Specialist position providing direct support and career navigation guidance to students and teachers |
| c | 4 Full-Time Adult Education Case Managers non-certified personnel providing career counseling |
| d | 1 Full-Time Assigned Functions (Curriculum/Technology) Specialist position works directly with students and teachers to create online tools and resources |
| e | 2 Full-Time Senior Case Managers non-certified personnel providing direct instructional support and professional development to students, teachers, and counselors |

| | |
|---|---|
| f | 1 Full-Time Assigned Functions (Marketing) Specialist position working directly with organizations to produce campaigns to recruit for our program. This is a new position with an anticipated hire date of August 2022 |
| g | 6 Full-Time Case Managers non-certified personnel providing direct instructional support and classroom strategies to students, teachers, and counselors |
| h | 1 Full-Time Instructional Material Specialist providing direct instructional support with teachers and students to support their curriculum needs in the Family Literacy Programs |
| i | 1 Full-Time Case Manager non-certified personnel providing direct instructional support and classroom strategies to students, teachers, and counselors |
| j | 1 Full-Time Testing Manager providing support to teachers and staff with program testing of students |
| k | 1 Part-Time In System Adult Education Teachers/Counselors |
| l | 12 Part-Time Out of System Adult Education Teachers/Counselors |

Heisler confirmed that Cover’s position was aligned with line *b*, Basel with line *g*, and De La Garza with line *i*.

The following are the OIG’s observations:

- Line *b* appears to align with Cover’s responsibilities, although the description does not mention CTE.
- Line *i* does not mention “instruction”, however, De La Garza confirmed she did provide “support” in the way of certification exam workshops, planning academic outcomes, and assisting with career development/goals to students.
- Line *g* does not refer to marketing. However, line *f* refers to a full-time specialist “working directly with organizations to produce campaigns to recruit for our program.” This position appears to be the position Barch claimed was downgraded. The narrative states the position had an anticipated hire date of August 2022 and Basel was hired in 2021. It should be noted the OIG reviewed the budget narrative for the 2021 AGE grant and it did not include a “marketing” position.
- Lines *b, l, f*, and *g* used the word “direct.” However, “direct” is not defined.

The OIG confirmed with Financial Accounting Manager Stefanie Johnson and Budget Operations Manager William Dufresne that the positions’ funding sources were revised accordingly. The total of 100% of the two positions and the adjustment of the third position to a split of 80% to the grant were revised.

PeopleSoft records indicate that Basel and De La Garza’s job code was 91505 and associated with the title Case Manager – Adult Education. **(Exhibit 2)** The job description for this job code reflects the essential functions of the position are:

1. Provides case management and support for students and teachers engaged in adult education and career development initiatives.
2. Works collaboratively with teachers and department staff to identify and provide support services for students with circumstances that impact their ability to enroll or persist in adult education classes.
3. Provides support services including, but not necessarily limited to, program orientation sessions, workshops on workforce preparation and employment opportunities, and conferences/workshops for interfacing with the K-12 education system.
4. Interviews and works one-on-one with students through individual sessions, e.g., planning academic outcomes, seeking career guidance, and establishing employment, career, and professional development goals.
5. Maintains applicable documentation and records for purposes of required reporting and tracking relevant analytics.
6. Ensures adherence to policies, procedures and regulatory standards in compliance with District and department's procedures, and all local, state, federal guidelines and requirements.

PeopleSoft records indicate that Cover's job was 74600, which is associated with the title Specialist – Assigned Functions/Projects/Programs. **(Exhibit 9)** The job description for this job reflects the essential functions of the position are:

1. Initiates and maintains documentation, audit records and appropriate files applicable to the assigned functional area, program and/or project in accordance with District and department policies and applicable regulatory standards and requirements.
2. Receives information requests and general questions regarding the assigned function, program and/or project areas of responsibility from both internal and external customers; provides response via appropriate communication channels, e.g., verbal discussion, written correspondence, email.
3. Compiles, analyzes and interprets statistical data; identifies significant trends and other indicators for the purpose of developing recommendations to improve desired outcomes in the function, program, project, and/or specialization area(s) of responsibility.
4. Ensures the function, program, project and/or specialization area(s) of responsibility comply with established regulatory standards/requirements; develops/modifies policies, procedures and/or guidelines in response to legislative changes and developments.

5. Works collaboratively with District and department staff in planning and implementation of function, program, and/or project initiatives and objectives.
6. Evaluates progress and success of the assigned functions, programs, and/or project areas of responsibility; provides recommendations for modifications and/or improvements to areas in the District's best interest.
7. Maintains current knowledge of industry trends and legislative developments applicable to the assigned functions, programs, projects and/or specialization for application to areas of responsibility.

As mentioned by Barch, the job descriptions for all the three positions in question, do not exactly align with what the employees' responsibilities actually are. The descriptions appear to be more generalized. Furthermore, the job descriptions do not appear to directly align with the grant budget narrative.

CONCLUSIONS

It is alleged that Director Fred Barch mismanaged grant funds in violation of the procedures outlined in the Project Application and Amendment Procedures for Federal and State Programs (Green Book) by allowing three Adult & Community Education employees to be paid using grant funds, even though their job responsibilities were not fully aligned with and did not fall within the allowable expenses in the grant guidelines, applications, and budget narratives.

The Green Book states the intent of the aforementioned procedures is to provide project recipients with "as much flexibility and local discretion as possible in the daily management of project activities while maintaining fiscal and programmatic accountability." After the OIG investigation, it does not appear there was intent on the part of the three employees, the grant manager, or the director to not comply with the applicable laws and regulations of the grant. Although Basel is responsible for the department's payroll, it appeared most of her responsibilities at the time her position was grant funded were related to marketing or supporting staff with grant related responsibilities. Conversely, the Green Book states that the salaries of administrative and clerical staff, "should normally be treated as indirect (F&A) costs."

The grant budget narrative (**Exhibit 8**) does not define "direct" and although it states 100% of each position is allocated, it seems to be left up to interpretation as to whether Basel and De La Garza's job responsibilities and accompanying salaries fell into allowable expenses.

Regarding CTE, the complainant stated that CTE positions were either not the purpose of the grant or unallowable. The OIG did not find information regarding CTE on the grant narrative. However, the narrative referred to Integrated Education and Training (IET), which appears to be similar to the purpose of CTE. Both grant managers agreed that CTE

was not part of the grant, but did not have specific documentation to proving CTE was not an allowable expense.

While the grant narrative does not specify the CTE program, based on the purpose of the program, it appears the program is related to the grant's purpose: increase[ing] Palm Beach County School District's [students] access to employment, education, training, and support services for individuals, particularly those with barriers to employment and to the services they need to succeed labor market.

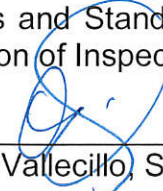
The investigation revealed the positions and accompanying salaries at issue were removed from the grant in July 2023. August 20, 2023, was the date that all obligations were to be liquidated and final disbursement reports submitted. Because the removal occurred before the August 20, 2023 deadline, the funds previously allocated to pay the salaries were returned to the Department of Education.

Based on the testimony obtained and records reviewed, the OIG determined that the allegation that Director Fred Barch mismanaged grant funds in violation of the procedures outlined in the Project Application and Amendment Procedures for Federal and State Programs (Green Book) by allowing three Adult & Community Education employees to be paid using grant funds, even though their responsibilities were not fully aligned with the grant was **Unsubstantiated**.

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.

ATTESTATION

I, the undersigned, do hereby swear, under penalty of perjury, to the best of my personal knowledge, information, and belief, the contents of this report are true and accurate; and I have not knowingly or willfully deprived or allowed another to deprive, the subject of the investigation of any rights contained in Sections 112.532 and 112.533, Florida Statutes. This investigation was conducted pursuant to School District Policy 1.092, Inspector General, and in accordance with applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General.



Veronica Vallecillo, Senior Investigator

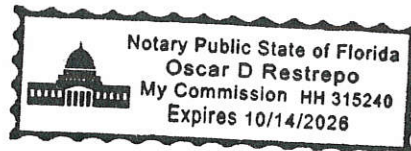
**STATE OF FLORIDA
COUNTY OF PALM BEACH**

Sworn to (or affirmed) and subscribed before me this 17 day of April, 2024, by Veronica Vallecillo, Senior Investigator for the School District of Palm Beach County, Office of Inspector General, who is personally known by me.



Signature of Notary Public

Notary Public or Law Enforcement Officer



This investigation was conducted by Veronica Vallecillo, supervised and approved by Director of Investigations Oscar Restrepo. The investigation was conducted in accordance with guidance from the Association of Inspectors General handbook and within standards as prescribed by Commission for Florida Law Enforcement Accreditation.

Approved by:  _____ Date: 4/17/24
Oscar Restrepo, Director of Investigations

Approved by:  _____ Date: 4/17/24
Teresa Michael, Inspector General

EXHIBIT LIST

FDOE Project Application and Amendment Procedures for Federal and State Programs (Green Book).....Exhibit 1

Job Description for Job Code 91505 Case Manager – Adult EducationExhibit 2

Goals provided to Patrice CoverExhibit 3

AGE RFA for Period 2022-2023.....Exhibit 4

AGE Award Notification for Period 2022-2023Exhibit 5

IELCE Award Notification for Period 2022-2023Exhibit 6

2022-2023 Grant NarrativeExhibit 7

2022-2023 AGE Budget NarrativeExhibit 8

Job Description for Job Code 74600 Specialist – Assigned/Functions/Projects/ProgramsExhibit 9

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