



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
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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: ^{KLC} Lung Chiu, Inspector General

DATE: July 28, 2015

SUBJECT: Transmittal of Final Investigative Report
Case # 15-240 William T. Dwyer High School

In accordance with School Board Policy 1.092(6)(d), attached please find the above-referenced final investigative report. The investigation was conducted in response to a complaint received from the Office of Professional Standards in April 2015.

The investigative report addresses two allegations involving the construction academy at William T. Dwyer High School that 1) adirondack chairs built during woodshop class were sold at a local consignment shop without the appropriate fundraising approval; and 2) proceeds from the sales were not deposited into the school's Internal Funds Account. Both allegations were substantiated.

The supplies utilized to construct the chairs were purchased from the construction academy teacher's personal funds. The chairs were built by the woodshop students as part of a project during class time and then later placed for sale, at the school and at a local consignment shop without the required fundraising approval. Proceeds from the sales, estimated at \$480, were retained by the teacher.

As required by the *Department of Education's Red Book (Chapter 8 Financial and Program Cost Accounting and Reporting for Florida Schools)*, the financial transactions of this project shall be accounted for in the school's Internal Funds.

The results of our investigation will be referred to the Office of Professional Standards for appropriate action; and the report will be posted on the Inspector General's website.

cc: Michael Burke, Chief Operating Officer

Office of Inspector General
The School District of Palm Beach County

Case No. 15-240

William T. Dwyer High School

INVESTIGATIVE REPORT

AUTHORITY AND PURPOSE

Authority *School Board Policy 1.092, Inspector General (4)(a)(iv)* 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.

Allegations The Office of Inspector General (OIG) initiated an investigation during April 2015 in response to a referral received from the Office of Professional Standards with regard to William T. Dwyer High School (School), alleging:

1. Adirondack chairs built during woodshop class were sold at a local consignment shop without the appropriate fundraising approval; and
2. The proceeds from the sale of the Adirondack chairs were not deposited into the school's Internal Funds Account.

BACKGROUND

School Police Investigation

It was reported to School Police that wooden Adirondack chairs built by the construction academy students at the School's woodshop were placed for sale at a local consignment shop. However, the proceeds were not deposited into the school's Internal Funds Account by the woodshop teacher (Teacher).

According to the Police Report, the Teacher stated that the lumber provided for the construction of the chairs was purchased by him and paid with his personal funds; however, the Teacher was unable to provide School Police with receipts supporting the purchase of lumber.

School Police determined the actions of the Teacher did not violate any criminal laws of the State of Florida.

At the conclusion of the School Police investigation, the Office of Professional Standards asked the OIG to review this issue.

REVIEWS PERFORMED**Document Review**

- *DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools)*
- *School Board Policy 2.16, Fund-Raising Activities Related to Schools*
- *School District Internal Accounts Manual, Chapters 7 and 19*
- School's Internal Accounts from December 2014 to April 2015
- Email sent to school staff dated May 27, 2014 promoting sale of the chairs
- Teacher's Class Assignment Report for FYs 2014 and 2015 from Mainframe/TERMS

Interviews

- Principal, William T. Dwyer High School
- Teacher
- IB Coordinator

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

APPLICABLE RULES AND DISTRICT POLICIES AND PROCEDURES

DOE Rules (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) states that:

- The financial transactions of school organizations shall be accounted for in the school internal funds. All funds handled by district school board employees during normal working hours shall be included in and become part of the internal funds of the school unless accounted for in the district-level accounting system. All organizations of the school, or organizations operating in the name of the school, that obtain money from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board. If approved by the district school board, a school-based, direct-support organization as defined under section 1001.453, F.S., may have all financial transactions accounted for in school internal funds.

School Board Policy 2.16, Fund-Raising Activities Relating to Schools states that:

- All fund-raising projects and activities shall have the principal's approval in writing including completing Form PBSB 0153, Fundraising Application/Recap.

- All money derived from any school fund-raising project or activity shall be deposited in the school's internal funds account.

School District's Internal Accounts Manual Chapter 19 requires that:

- All fundraising projects shall be approved in advance by the Principal. The teacher/sponsor must complete PBSO 0153, Fundraising Application/Recap, and route it to the principal for approval. The bookkeeper will establish an internal decimalized fundraising account to accumulate the income and expenses associated with the fundraiser.
- The proceeds from school fundraising shall be deposited in the school's internal funds and must be disbursed in accordance with district purchasing policies for the purposes stated on the Fundraising Application/Recap.
- The sponsor must be responsible for maintaining detailed records of inventories and cash collections during a fundraiser.
- Materials or supplies MAY NOT be purchased from fundraising collections. All sales must be turned into the Treasurer intact and all items purchased as part of the fundraising activity must be paid by a check from the school's Internal Accounts.
- The Sales Item Inventory Report is completed for all fundraisers even if there was no inventory.
- The sponsor must retain copies of all invoices for items purchased to help with the completion of the Sales Item Inventory Report.

School District's Internal Accounts Manual Chapter 7 states:

- Monies Collected Reports must be completed.
- All money collected must be turned in daily, in its entirety, and recorded on the Drop Safe Log by the sponsor.
- No purchases may be made from the cash collected - all purchases must be paid or reimbursed by a check from the school's internal accounts.

RESULTS OF REVIEW

Woodshop Chair Project Funded by Teacher's Personal Funds

The OIG interviewed the Teacher who stated he selected the chairs as the required level-one group project for freshmen students in his woodshop class. The Teacher indicated that for the School Year 2015, he purchased supplies for this project with his personal funds, totaling approximately \$800. However, the Teacher could not provide receipts to support those expenses.

Although School Police noted they observed excess lumber on the School campus, the Teacher said that any leftover materials from the previous school year were slated for other projects.

The Teacher stated this was the second year the project was funded by him and a total of 36 chairs were constructed during FY2014 and FY2015, as follows:

	<i>Groups in Woodshop (A)</i>	<i># of Classes (B)</i>	<i>Chairs Built (c) (A*B=C)</i>
FY2014	6	3	18
FY2015	6	3	<u>18</u>
Total Chairs			36
(A) Based on Teacher's statement made on 05/13/15			
(B) Based on District's records obtained from TERMS			

According to the Teacher, he utilized his personal funds to purchase lumber and other materials because there were no district funds available at the start of the project. The Teacher stated he was informed by the IB coordinator (Coordinator) that funds would be available in February 2015.

The Teacher indicated that after speaking with the Coordinator, he decided to personally fund the project, so the chairs could be completed prior to the winter break, allowing students to purchase the chairs for holiday gifts.

The Coordinator confirmed to OIG staff that she did have a conversation with the Teacher and advised him to withhold district funds until a decision was made regarding the use of those funds for a computer lab addition. The Coordinator informed the Teacher that the funding for the new computer lab would come from his vocational budget, and asked the Teacher to wait until she obtained the estimates.

Chairs Sold to Employees and Students

The Teacher stated that during FY 2014 and FY 2015, he sold 10 of the 36 chairs to school employees and students for \$40 each. The Teacher could not provide any documentation related to these sales, but did state that he retained the proceeds.

The Coordinator confirmed that she recalled the chairs were offered for sale, and provided an email dated May 27, 2014, verifying the Teacher's statement that the chairs were offered for sale to school staff.

Chairs Placed for Sale at Consignment Shop

According to the Teacher, eight of the unsold chairs were placed at a consignment shop. The OIG performed a physical inventory and verified that the remaining 18 chairs are stored at the school. At the time of the School Police investigation, the consignment shop owner stated he had sold two of the eight chairs and had paid the Teacher a total of \$80 from the proceeds.

During an interview with School Police, the owner of the Consignment Shop indicated that (1) there was a verbal agreement with the Teacher for the shop to sell each chair for \$150; (2) the Teacher was to receive \$40 from each sale, (3) the owner originally did not adhere to the consignment shop's standard practice of a 50/50 split between the shop and the consignee because the Teacher only asked for \$40 per chair; and, (4) once consignment shop owner learned about the School Police investigation, the chairs were marked down to \$80 each, to be consistent with standard practice.

Based on the statements of the Teacher, the consignment shop owner, and observations by the OIG, it appeared that of the 36 chairs constructed, ten were sold to students and employees; two were sold by the consignment shop; six remain unsold at the consignment shop; and the remaining 18 are stored at the School.

Teacher Funded Other Woodshop Project

The Teacher stated he personally funded one other woodshop project during FY2015, as funds were not available and he believed the project was important. The Teacher did seek reimbursement for this project in the amount of \$884.52, which has not yet been approved by the School's Principal pending the outcome of this investigation.

CONCLUSIONS

Allegation #1: *Adirondack chairs built during woodshop class were sold at a local consignment shop without the appropriate fundraising approval.*

The Teacher acknowledged that he sold the chairs to students, teachers, and through the local consignment shop. Both the school principal and the Teacher confirmed there was no approved fundraiser for this activity.

School Board Policy 2.16 and the District's *Internal Accounts Manual, Chapters 7 and 19*, require all fundraising projects to be approved in advance by the principal. Further, the sale of the chairs did

not receive the required completion and approval of Form PBSB 0153 *Fundraising Application/Recap* and Form PBSB 0182 *Sales Item Inventory Report*.

The allegation that a District teacher sold chairs at a local consignment shop without the appropriate fundraising approval is substantiated.

Allegation #2: *The proceeds from the sale of the Adirondack chairs were not deposited into the school's Internal Funds Account.*

The OIG's review of the School's Internal Funds Accounts did not reflect any account or deposits related to the sale of the chairs. The Teacher acknowledged that the proceeds from the sale of the chairs were not deposited into the school's Internal Funds, and that he retained the proceeds from the sale of chairs, in an attempt to recover his out-of-pocket expenses.

School Board Policy 2.16 and the District's *Internal Accounts Manual, Chapters 7 and 19*, require that the fundraiser sponsor maintain records of the funds collected and expensed, and deposit monies derived from any school fund-raising project or activity in the school's Internal Funds Account.

The allegation that the proceeds from the sale of the chairs were not deposited into the school's Internal Funds Account is substantiated.

AFFECTED PARTY RESPONSE

The OIG has provided a draft copy of this report to the Teacher, who was given the opportunity to respond. The response is attached hereto in its entirety, as Exhibit A.

OIG REBUTTAL TO AFFECTED PARTY RESPONSE

Although the Teacher's response indicates the construction of Adirondack chairs was not a fundraiser, the activity is considered a fundraiser because the chairs built by students during class time were placed for sale, therefore *School Board Policy 2.16 Fund-Raising Activities Related to Schools* should have been followed.

The Teacher's response includes certain copies of receipts from The Home Depot; however, the financial transactions (such as revenues and expenditures) for this school activity/project were not accounted for in internal accounts as required by *DOE Red Book (Chapter 8 of the Department*

of Education's Financial and Program Cost Accounting and Reporting for Florida Schools). Therefore the provided receipts do not impact the findings in the report.

DOE Red Book (Chapter 8 of the Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools) states: "The financial transactions of school organizations shall be accounted for in the school internal funds. All funds handled by district school board employees during normal working hours shall be included in and become part of the internal funds of the school unless accounted for in the district-level accounting system. All organizations of the school, or organizations operating in the name of the school, that obtain money from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board."

The Teacher's response questioned the accuracy of the OIG's statement that "FY2014 there were three classes and eighteen chairs built." The OIG based this account on District records and statements made by the Teacher, which corresponds to the remaining inventory.

FURTHER ACTION

The results of this investigation will be provided to the Office of Professional Standards.



Jennifer Zapata <jennifer.zapata@palmbeachschools.org>

Re: Bohne, Mark - Our File Number: 949.18

Bonnie Blake <bblake@smb-law.com>

Mon, Jul 13, 2015 at 4:13 PM

To: "jennifer.zapata@palmbeachschools.org" <jennifer.zapata@palmbeachschools.org>
Cc: "bohne_mc@yahoo.com" <bohne_mc@yahoo.com>, Robert Johnson <rjohnson@smb-law.com>, "mark.bohne@palmbeachschools.org" <mark.bohne@palmbeachschools.org>, Bonnie Blake <bblake@smb-law.com>

Dear Ms. Zapata:

Attached is correspondence authored by Robert Johnson of today's date. Please confirm receipt of the attached correspondence. Thank you.

Bonnie Blake

Assistant to John B. Marion, IV and Robert L. Johnson

Sellers, Marion & Bachi, P.A.

811 North Olive Avenue

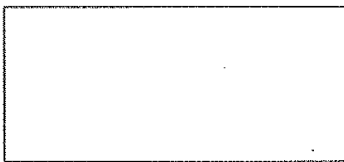
West Palm Beach, FL 33401

Phone: (561) 655-8111

Fax: (561) 655 4994

Email: bblake@smb-law.com

Website: <http://www.smb-law.com>



Bohne Letter - 001.pdf
5011K


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July 13, 2015

Jennifer Zapata, MBA, CIGA
Senior Auditor/Investigator
Office of Inspector General
The School District of Palm Beach County
3300 Forest Hill Boulevard
West Palm Beach, FL 33406

Re: Mark Bohne
OIG Case Number: 15-240
William T. Dwyer High School (Sale of Adirondack Chairs)
Our File Number: 000949.00018

Dear Ms. Zapata:

Our firm has been retained by Mark Bohne to respond to your June 16, 2015 Investigative Report (OIG Case Number 15-240). As you know, Mr. Bohne has been an exemplary school teacher for the Palm Beach County School Board for many years.

During the 2014/2015 school years, Mr. Bohne selected that Adirondack chairs be made in his woodshop class. He purchased the supplies for these chairs out of his personal funds, totaling approximately \$885.00. Mr. Bohne has recently obtained some of the receipts from The Home Depot which supports some of these purchases. He could not locate all of the receipts because his credit card(s) and/or debit card(s) numbers have been changed due to the possibility of identity theft which prevented The Home Depot from locating the additional receipts.

I am attaching the six receipts that Mr. Bohne was able to obtain from The Home Depot in Jupiter for materials purchased which total \$502.46. I have highlighted the supplies that were purchased personally by Mr. Bohne for his woodshop class. There were some other items that were purchased for his personal use which are not highlighted.

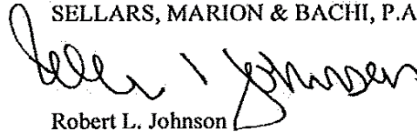
With regard to page 3 of the Investigative Report, wherein it states, "FY 2014 there were 3 classes and 18 chairs built", this is not an accurate statement, there were only two classes and 11 chairs built for the year 2014.

It is apparent from your investigation and Mr. Bohne's statements during this investigation that the construction of the Adirondack chairs was not a fundraising project. The overwhelming evidence is that Mr. Bohne personally purchased these supplies for the benefit of his students because there were no district funds available at the start of the project.

In conclusion, this investigation has not only questioned my client's integrity but has caused him great heartache. As you can see from the attached receipts, Mr. Bohne went well above the call of duty for his students. Please clear his name. Thank you.

Sincerely,

SELLARS, MARION & BACHI, P.A.

A handwritten signature in black ink, appearing to read "Robert L. Johnson", written over the typed name.

Robert L. Johnson

RLJ:bhb
Attachment

SELLARS, MARION & BACHI, P.A.
ATTORNEYS AND COUNSELORS



**More saving.
More doing.SM**

1694 W. INDIANTOWN RD, THANK YOU !!
JUPITER, FL 33458 (561)747-6561

0274 00002 16838 10/30/14 08:56 AM
CASHIER CAROL - CLT5469

098168303491 1X8-8 APG <A>
1X8-8FT PT WEATHERSHIELD
33@7.27 239.91N

SUBTOTAL 239.91
SALES TAX 0.00

TAX EXEMPT

TOTAL \$239.91

XXXXXXXXXXXX0877 DEBIT 239.91

AUTH CODE 560871





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1694 W. INDIANTOWN RD, THANK YOU !!
 JUPITER, FL 33458 (561) 747-6561

274 00001 40996 11/03/14 08:14 AM
 ASHIER CHERI - CLS061

22367584825 GLN INT FL <A> 89.87N
 GLIDDEN PREM INT FLAT BASE 3 4.33GAL
 78371911119 SPECS-CLR <A>
 3M EYEGLASS PROTECTOR
 4@3.98 15.92N

SUBTOTAL 105.79
 SALES TAX 0.00

AX EXEMPT

TOTAL \$105.79

XXXXXXXXXXXX0877 DEBIT 105.79

JTH CODE 562975

TRANSACTION NUMBER : 10274, 11/19/2014

THE HOME DEPOT 0274

1694 W INDIANTOWN RD
JUPITER FL 33458
(561) 747-6561

***Trans 3174 Reg 0013 Cashier NCS1062
0274 00013 31743 11/19/2014
SALE NCS106 08:48 AM

SALES POSTING DATE : 11/19/2014

764666528437	PTN2S5	27.48NN
764666528383	PTN158S5	27.48NN
098168303491	1X8-8 APG	
14.0000	@ \$ 7.27	101.78N
	SUBTOTAL	156.74
	SALES TAX	0.00
	TOTAL	\$156.74

APPROVED (00)

XXXXXXXXXXXX0877 DEBIT
USD 156.74
AUTH CODE 530992/0000000 EXPIR 1230 TA



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1694 W. INDIANTOWN RD, THANK YOU !!
JUPITER, FL 33458 (561)747-6561

0274 00001 08753 11/20/14 12:27 PM
CASHIER CAROL - CLT5469

098168303491 1X8-8 APG <A>
1X8-8FT PT WEATHERSHIELD
8@7.27 58.16N
764666528338 PTN114S5 <A> 27.48N
1-1/4" PG + 10 EXTERIOR SCREW 5 LB

SUBTOTAL 85.64
SALES TAX 0.00

TAX EXEMPT

TOTAL \$85.64

XXXXXXXXXXXX0877 DEBIT 85.64

AUTH CODE 831611



0274 01 08753 11/20/2014 9065



Transaction Identifier : [0274, 12/05/2014, 57, 4



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1694 W. INDIANTOWN RD, THANK YOU !!
JUPITER, FL 33458 (561)747-6561

0274 00057 42721 12/05/14 07:13 AM
CASHIER SELF CHECK OUT - SCOT57

008925093688 5" 15050PK <A> 19.97
DIABLO 5"ROS DISC H&L 150G 50PK

	SUBTOTAL	19.97
	SALES TAX	1.20
	TOTAL	\$21.17
XXXXXXXXXXXX0877	DEBIT	21.17
AUTH CODE 632741		



0274 57 42721 12/05/2014



**More saving.
More doing.SM**

1694 W. INDIANTOWN RD, THANK YOU !!
JUPITER, FL 33458 (561)747-6561

0274 00058 73955 12/16/14 08:24 AM
CASHIER SELF CHECK OUT - SCOT58

008925093688	5" 15050PK <A>	19.97
	DIABLO 5"ROS DISC H&L 150G 50PK	
008925093091	5" CONVPAD <A>	
	DIABOLO 5" RANDOM ORBITAL CONVERSION	
	204.97	9.94
008925093442	CCM 120G <A>	5.97
	DIABLO 120GRIT CORNER CAT/MOUSE SHTS	

	SUBTOTAL	35.88
	SALES TAX	2.16
	TOTAL	\$38.04
XXXXXXXXXXXX0877	DEBIT	38.04
AUTH CODE 560076		



0274 58 73955 12/16/2014 6017