



THE SCHOOL DISTRICT OF
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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: September 15, 2015

SUBJECT: Transmittal of Final Investigative Report
Case # 14-193 Pahokee High School/Pahokee Pride Youth Athletic League

In accordance with School Board Policy 1.092(6)(d), we transmit the above-referenced final investigative report.

The report addresses five allegations and two additional issues regarding an unauthorized sporting event held by an outside organization, Pahokee Pride Youth Athletic League, at the Pahokee High School stadium.

The results of our investigation found that the League utilized the school's stadium and school facilities on two occasions without the required lease agreement, and without paying the School for use of the stadium. The League utilized the stadium for one full day without the knowledge or permission of the school's principal.

Further, we substantiated an allegation that the League's Treasurer, who was also a District employee and the School's Treasurer, was responsible for preparing and obtaining the lease agreement, but did not. The report details numerous non compliances by the School Treasurer.

The OIG withheld the release of this report while School Police performed a related internal affairs investigation.

The results of our investigation will be posted on the Inspector General's website.

cc: Dr. David Christiansen, Deputy Superintendent/Chief of Schools
Michael Burke, Chief Operating Officer

Office of Inspector General
The School District of Palm Beach County

Case No. 14-193

Pahokee High School/Pahokee Pride Youth Athletic League

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.

Allegation. The Office of Inspector General (OIG) initiated a preliminary investigation in response to a complaint regarding an unauthorized sporting event held on September 6, 2014 by an outside organization, the Pahokee Pride Youth Athletic League (League), at the Pahokee High School (School) stadium. The complaint, initiated by the School's Principal (Principal), alleged that:

1. The League utilized the School's football stadium for a full day without proper permission and without a required lease agreement.
2. The League's Treasurer and Officer is also a District employee (School Treasurer) and was the person responsible for preparing and obtaining the lease agreement, but did not.
3. The League did not pay the School for the use of the football stadium.
4. The League utilized other School facilities in addition to the Football Stadium, including the restrooms (which were not resupplied) and concession stands; and, utilized School equipment, including a tent, ice machine and scoreboard which were damaged by the League.
5. District custodial staff and School Police worked at the League event, potentially outside of District procedures.

During the OIG's preliminary investigation, additional issues were identified concerning the League's subsequent use of the football stadium on October 4, 2014, as follows:

6. The League utilized the School's stadium for the second time without a required lease agreement.
7. The League did not pay the School for the use of the stadium.

BACKGROUND

The League is a local community not-for-profit organization, established as Pahokee Pride Youth Athletic League, Inc. in February, 2014. The Florida Department of State records indicate the corporation was organized for the specific purpose to:

Combat juvenile delinquency, crime prevention, educational benefits for youth, to encourage personal responsibility, exposure to new ideas and areas, to teach pro social values.

The League lists five Officer/Directors in their official filing, including the District employee who is the School's Treasurer.

APPLICABLE DISTRICT POLICIES AND PROCEDURES

School Board Policy 7.18, Community Use of School Facilities, provides for the use of school facilities by community organizations, including all non-profit organizations. Consequently, the League qualified as an organization eligible to utilize the School's football stadium.

The Policy further states that all qualified community organizations, shall be required to complete a lease agreement in the Computer Aided Facilities Management system (CAFM) system.

The Policy requires, among other things:

- the school to retain a fully executed lease agreement (2.d.)
- proof of lessee's adequate liability insurance coverage (2.b.iii.)
- the lease to be signed by all parties at least 48 hours prior to the use of the facility (3.a.)
- food to be sold or served on campus only if prepared in the school kitchen under the supervision of the school cafeteria staff or, if catered, a copy of the license must be provided to the school (6)
- no waiver of the District's portion of leasing fees (2.h.)
- the payment of fees by check or credit card at least 48 hours prior to the use of the facility (7.a.)

School Board Policy 7.18 (2.b.) further sets forth the process and criteria for applying for a lease and requires the potential lessee to:

- have the school complete the Computer Aided Facilities Management (CAFM) web based lease in Tririga
- provide the required additional documentation as identified in the CAFM lease program with the web based lease

- provide a copy of liability insurance policy naming the School Board of Palm Beach County as a certificate holder and as an additional insured, or purchase liability insurance from the School District
- not be in default on a prior-lease payment with any District school
- fully compensate the District for any damage resulting from prior use

School District *Bulletin #P-14872-COO-RBM – Vendors’ Liability Insurance Requirements for Community School Facilities* provides procedures to all principals regarding liability insurance for organizations leasing School District facilities and states:

*Although a school center may waive rental fees, as they deem appropriate, insurance requirements may not be waived. Even good cause and charities must sign a lease and provide insurance. **There are no exceptions.***

School Board Policy 3.02, Code of Ethics (5.e.) states:

A conflict of interest shall be defined as a situation in which the employee’s regard for a private interest tends to lead to a disregard of the employee’s public duty or interest.

Unethical conduct includes, but is not limited to, the employee: Participating in the decision to make a contract between the School Board and a business or entity in which the employee has a personal or financial interest. This includes contractual relationships with units of government as well as for profit and not for profit organizations . . .

An employee who has a personal or financial interest because of a relationship with such a . . . not for profit organization must recuse him or herself from any decision concerning that entity, including any decision to contract or not to contract with the entity and the administration of the contract.

School Board Policy 3.02, Code of Ethics (8.b.) regarding giving false or fraudulent evidence states:

In all proceedings, including administrative hearings . . . the evidence presented by District employees shall be truthful. Misrepresentation of factual evidence, including the presenting of false, fraudulent, intentionally misleading or untruthful evidence in any such proceedings or report is declared to be a violation of this policy. Any person making such a misrepresentation of factual evidence is subject to discipline in accordance with this policy.

REVIEWS PERFORMED**Document Review**

School Board Policy 7.18 – Community Use of School Facilities
School Board Policy 3.02 – Code of Ethics
List of Documents Required for Leasing of Facilities
Community Use of School Facilities 2014-2015 Hourly Billing Rate Summary
District Bulletin # P-14872-COO-RBM – Vendors’ Liability Insurance Requirements for Community School Facilities
Generic Lease Agreement for Use of School Facility (source: Tririga)
Pahokee HS Leasing Accounts (source: Schoolcash.net)
Rental Contract Manual Approvers (source: Tririga)
Pahokee Pride Youth Athletic League Inc., Certificate of Liability Insurance
2014 Panthers Football Schedule (Schedule)
E-mail Correspondences among District Staff and League Members
Florida Department of State, Division of Corporations (source: www.sunbiz.org)

Interviews with School Staff, Including:

Principal
Assistant Principal
School Treasurer
School Teacher/League Registered Agent
School Teacher/Lease Coordinator
Custodian

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.

RESULTS OF REVIEW AND CONCLUSIONS**September 6, 2014 Event**

Allegation #1: *The League utilized the School’s football stadium for a full day without proper permission and without a required lease agreement.*

The League held a sporting event at the School’s stadium on September 6, 2014 (September Event). There were five separate games involving several teams from the Treasure Coast and Palm Beach County listed on the Schedule. The first game was scheduled to start at 9:00 a.m. and the last game at 5:00 p.m. The School Treasurer confirmed that the event occurred and estimated that about three-hundred people were in attendance. The League agent stated that he did not consult with the Principal regarding the event, but did have discussions with other School staff including the School Treasurer, the Athletic Director (former), and the Assistant Athletic Coach.

The Principal, who is the only person authorized to approve School lease agreements, stated that he 1) had no knowledge of the event prior to the event taking place; 2) did not authorize the League to hold the event; and, 3) did not approve a lease agreement for the event.

Subsequent to the event taking place, the Principal was made aware of the League's unauthorized use of the football stadium. The School Treasurer stated that she was aware of the planned event, but did not notify the Principal. Other School staff were also notified of the event.

School Board Policy 7.18 and District Bulletin #P-14872-COO/RBM require a fully executed lease agreement for organizations utilizing the School's facilities. The allegation with regard to the League's unauthorized use of the School's football stadium without a proper lease agreement for the September Event is substantiated.

Allegation #2: *The League's Treasurer and Officer is also a District employee (School Treasurer) and was the person responsible for preparing and obtaining the lease agreement, but did not.*

According to records obtained from the Florida Department of State, Division of Corporations, a District employee serving as the School Treasurer is listed as the League's Treasurer and an Officer of the League. The School Treasurer also confirmed to the OIG that she serves as the League Treasurer.

Representatives from the League stated they requested use of the stadium both verbally and in writing. The League Agent met with School staff, including the School Treasurer, on August 22, 2014. The purpose of the meeting was to request use of the School football stadium for two sporting events. The League Agent stated that during the meeting, the School Treasurer requested an electronic copy of the League's Certificate of Insurance (COI). The COI was forwarded to the School Treasurer via District email on the same day.

On August 25, 2014 the League Agent transmitted an email to the School Treasurer, among others, an "official request" on behalf of the League to utilize the football stadium on September 6, 2014 and October 4, 2014. The Principal was not included in the email correspondence.

The School Treasurer confirmed the Principal's statement that she did not notify the Principal or prepare a lease agreement for the September Event. As stated by School Treasurer, the reasons for not preparing a lease agreement or consulting with the Principal regarding the Leagues' request were:

- in her dual role as School Treasurer and League Treasurer, she made the decision to "take a neutral position"
- although she knew that the Principal did not know about the event, she relied upon the League President to inform the Principal
- no one told her to prepare a lease

Both the Principal and the School Treasurer agree that the responsibilities of the School Treasurer include: 1) notifying the Principal of any individual or group that expresses interest in using the School facilities; 2) preparing a lease agreement upon the Principal's verbal approval; 3) obtaining the Principal's electronic approval of the lease agreement; and, 4) ensuring that the lease agreement is fully executed and all fees are collected at least forty-eight (48) hours prior to the event.

After receiving the League documents, the School Treasurer performed none of the above required tasks that she acknowledged were her responsibilities. This resulted in the unauthorized use of School facilities.

The allegation that the League Treasurer, also the School Treasurer, was responsible for obtaining a lease agreement, but did not, is substantiated.

Allegation #3: *The League did not pay the School for the use of the football stadium.*

The School Principal, League Agent, and School Treasurer each confirmed that the League did not pay any leasing fees for use of the facility. Based on the Principal's estimate, the leasing fees due the School were in the excess of \$1,200.

The allegation with regard to the League's failure to pay for use of the School's football stadium for the September Event is substantiated.

Allegation #4: *The League utilized other School facilities in addition to the Football Stadium, including the restrooms (which were not resupplied) and concession stands; and, utilized School equipment, including a tent, ice machine and scoreboard which were damaged by the League.*

There were two days of consecutive football events held at the stadium. A School home game was held on Friday September 5, 2014, and the League's September Event on the following day. The League Agent stated that upon arrival at the stadium for their event, they found the stadium uncleaned from the School's event the previous day.

The League had full access to School facilities, including but not limited to the football field, concession stand, ice machine, scoreboard, tent, press box, restrooms, and common areas. Typically, the Principal designates a District employee to oversee operations at the facility during an event at the School. A District employee was not designated for the League event, as the event had not been authorized. League members and attendees had unlimited access to the School's restrooms and all of the stadium facility without any authorized designated oversight from District employees.

According to witnesses, 1) the scoreboard was activated at or about 11:00 a.m. at the start of the League's second game during the September Event; 2) the scoreboard worked but stopped working at some point during the day; and 3) it was not unusual for the scoreboard to stop working during inclement weather, and it rained periodically during the event. The League Agent stated the

scoreboard has stopped working during past events, including the School home game that he attended the previous day.

The Principal stated the ice machine, which was damaged, is located in an area that is easily accessible by everyone and could have been damaged prior to or after the event. Without the benefit of a designated District employee overseeing the facility during the League event, it is undetermined if the scoreboard or ice machine sustained damages during the League's event.

There is insufficient evidence to assign responsibility for any damages to the School's scoreboard and ice machine to the League, and those allegations are unsubstantiated.

However, it was determined that a tent belonging to the School's Track team sustained damages during the League's event. Both the League Agent and the Principal stated the League has acknowledged responsibility for damages to the tent. The Principal stated the League has since made appropriate arrangements with the School's Track Coach to have the damages repaired.

The allegation that the League utilized the School's facilities including the restrooms, concession stands, school equipment, and damaged a tent is substantiated.

Allegation #5: *District custodial staff and School Police worked at the League event, potentially outside of District procedures.*

Two District employees worked at the League's September Event -- a School Custodian assigned to the Pahokee Middle School, and a School Police Officer (Officer). The Custodian assisted the League with cleaning up the facility prior to the start of the event and throughout the event as a volunteer.

The School District does not prohibit employees from volunteering at community events, such as the one described in this report. As previously stated, the Principal generally ensures that there is an authorized District representative assigned to each authorized event to oversee the facility.

The Custodian worked at the September Event; however, he did not provide any services as a School employee, neither was he paid by the School for the hours he volunteered at the League event. The Principal stated the Custodian did not submit a timesheet or request payment from the School for hours worked at the event, and we verified same with Payroll records. Both the League Agent and School Treasurer stated the Custodian was not paid by the League as he had volunteered his services.

Although the Custodian performed custodial duties at the event, he was not designated as the School's representative, and did not provide any services on behalf of the School. The Custodian's participation at the event was voluntary, and therefore, did not violate School Board policy.

This allegation that the Custodian potentially worked outside District's procedure is unfounded.

According to the League Agent, a School Police Officer who worked at the League's September Event granted the League access to the School stadium. Upon receipt of the complaint, School

Police contacted the OIG and advised that their Internal Affairs would conduct an investigation into the allegations raised regarding the School Police Officer.

Based upon the above, the OIG has not made a determination regarding the School Police Officer.

October 4, 2014 Event

No Lease Agreement for October Event. Regarding *Issue #6*, on October 4, 2014, the League held a sporting event at the School stadium (October Event), the second event within four weeks without the required lease agreement.

On September 16, 2014, the Principal wrote via email to the School Treasurer:

We have to set up a lease for the Pahokee Pride Youth [A]thletic League, Inc. There is one or two events scheduled.

The School Treasurer acknowledged and replied via email *ok*

On September 18, 2014, the Principal again emailed the School Treasurer regarding the lease agreement:

Will there be a lease executed for the next scheduled game?

The OIG review of District email does not reflect a written reply to the Principal.

During a meeting on September 30, 2014, with School administrators and the School Treasurer, the Principal stated he again reminded the School Treasurer that he needed to have an approved lease agreement for the event. The School Treasurer initiated a lease agreement that same day, approximately nine business days after the Principal's second request, and four business days prior to the scheduled October Event. The School Treasurer electronically sent the lease agreement to the Principal, who electronically signed and approved the lease agreement. The Principal made a notation on the lease draft *please provide payment before the event.*

The draft lease was submitted to the District on October 2, 2014. The following day, Friday, October 3, the lease agreement was rejected by the District and returned to the School due to the School's failure to provide 1) a required Sales Tax Exemption Certificate; and 2) a Certificate of Insurance reflecting the District's minimum general aggregate liability requirement.

The October Event was held on Saturday, October 4, 2014, without an executed lease agreement and the required prior payment, both of which were specifically requested by the Principal.

It should be noted that the School Treasurer, who was responsible for obtaining a fully executed lease agreement, was notified of the League's planned event well in advance (on or prior to August 22, 2014) but did not take timely action to ensure the lease was prepared and executed prior to the

October Event. Further, the School Treasurer did not advise the Principal there was no executed lease for the October Event.

During our preliminary investigation, we met with the School Treasurer on October 8, 2014. During the meeting, the School Treasurer stated the lease agreement was not executed because she had a problem accessing Tririga to prepare the lease, and it took two weeks for the District's Information Technology (IT) Department to resolve the issue. She also stated that there was an issue with the Certificate of Insurance, and the League needed to increase the General Aggregate from \$1,000,000 to \$2,000,000 (as stated in District's *Bulletin, #P-14872-COO/RBM*).

The issue regarding the League utilizing the School's stadium for the October Event, which occurred within four weeks of the previous event did occur. Both events took place without an executed lease agreement, in violation of *School Board Policy 7.18*, and *School District Bulletin #P-14872-COO/RBM*.

No Fees Collected for October Event. Regarding *Issue #7*, the OIG found no evidence that the League paid the District for use of the stadium for the October Event, in violation of *School Board Policy 7.18*.

ADDITIONAL ISSUES CONCERNING SCHOOL TREASURER

During the OIG's preliminary review, numerous issues were raised as to the School Treasurer's conduct with regard to the September and October Events.

Principal Misled by School Treasurer Regarding Payment for October Event. The Principal stated he was unaware that the School did not receive payment for the October Event, which was contrary to what the School Treasurer told him. The Principal stated he reminded the School Treasurer several times to collect payment from the League for the October Event and that the Treasurer led him to believe the League paid the leasing fees.

OIG Staff Misled by School Treasurer Regarding Payment for October Event. During our interview with the School Treasurer on October 8, 2014, we inquired if the School received payment from the League for the October Event. Initially the School Treasurer responded affirmatively that the League had paid the school for its use of the stadium.

When asked to show the Money Collected Report (MCR), or a copy of the check that she collected from the League, the School Treasurer recanted and stated the following:

- She met with the League President at a City football field on Thursday (October 2nd), and the President gave her a check payment for the lease.
- She believed the check was for \$951.
- The League President signed the check.
- The check was not yet deposited.

- She did not prepare a MCR.
- She was unable to provide a copy of the check because the check was at her home in her purse.
- She would email OIG investigators a copy of the check no later than the next day.

School Police have advised the OIG that the League President denies writing a check to the School for use of the School's stadium for the October Event.

Status of Monies Collected by School Treasurer Unknown. The OIG did not receive evidence of the check the School Treasurer stated she collected from the League. *School Board Policy, 7.18 (7c)*, requires checks collected to be "deposited promptly by the school with appropriate documentation as required...." The Treasurer did not deposit the check she claimed that she collected; neither did she prepare the appropriate documentation as the policy requires. Instead, the School Treasurer stated to OIG staff that the School received payment for the event. As of December 15, 2014, the School had not received payment from the League for the September or October Events.

In conclusion, the School Treasurer:

- Should have, but did not, inform the Principal of the planned September Event.
- Should have, but did not, ensure a required lease agreement was obtained for the September Event.
- Should have, but did not, ensure leasing fees were collected for the September Event.
- Should have, but did not, ensure a required lease agreement was obtained for the October Event.
- Should have, but did not, inform the Principal there was no executed lease agreement for the October Event, contrary to the Principal's specific direction.
- Informed the Principal that fees for the October Event had been collected when; in fact, no fees had been collected by the School.
- Made statements to OIG staff with regard to the payment for the October Event that were contrary to factual evidence and subsequent statements made to School Police.
- May have acted contrary to *School Board Policy 3.02, Code of Ethics (5.e.)* with regard to conflict of interest.
- May have acted contrary to *School Board Policy 3.02, Code of Ethics (8.b.)* with regard to giving false or fraudulent information.

District Loss of Leasing Income. The Principal estimated leasing fees for the September Event of \$1,200. Additionally, the Principal charged the League \$985 for the October Event. The League owes the School approximately \$2,100 for use of the football stadium.

RECOMMENDATIONS

The School should collect the rental charges from the League. The League should also not be allowed to use the School or other District facilities until 1) all outstanding fees are paid; and, 2) all the required documentation is received. In addition, the School should ensure all leasing fees are collected in advance and lease agreements be fully executed at a minimum, 48-hours in advance of the event, in compliance with applicable policy.

FURTHER ACTION

The OIG referred our investigative results to the Office of Professional Standards who have closed their file on the matter.

The OIG provided a draft copy of this report to the appropriate party, who was given the opportunity to respond. No responsive comments were received.