

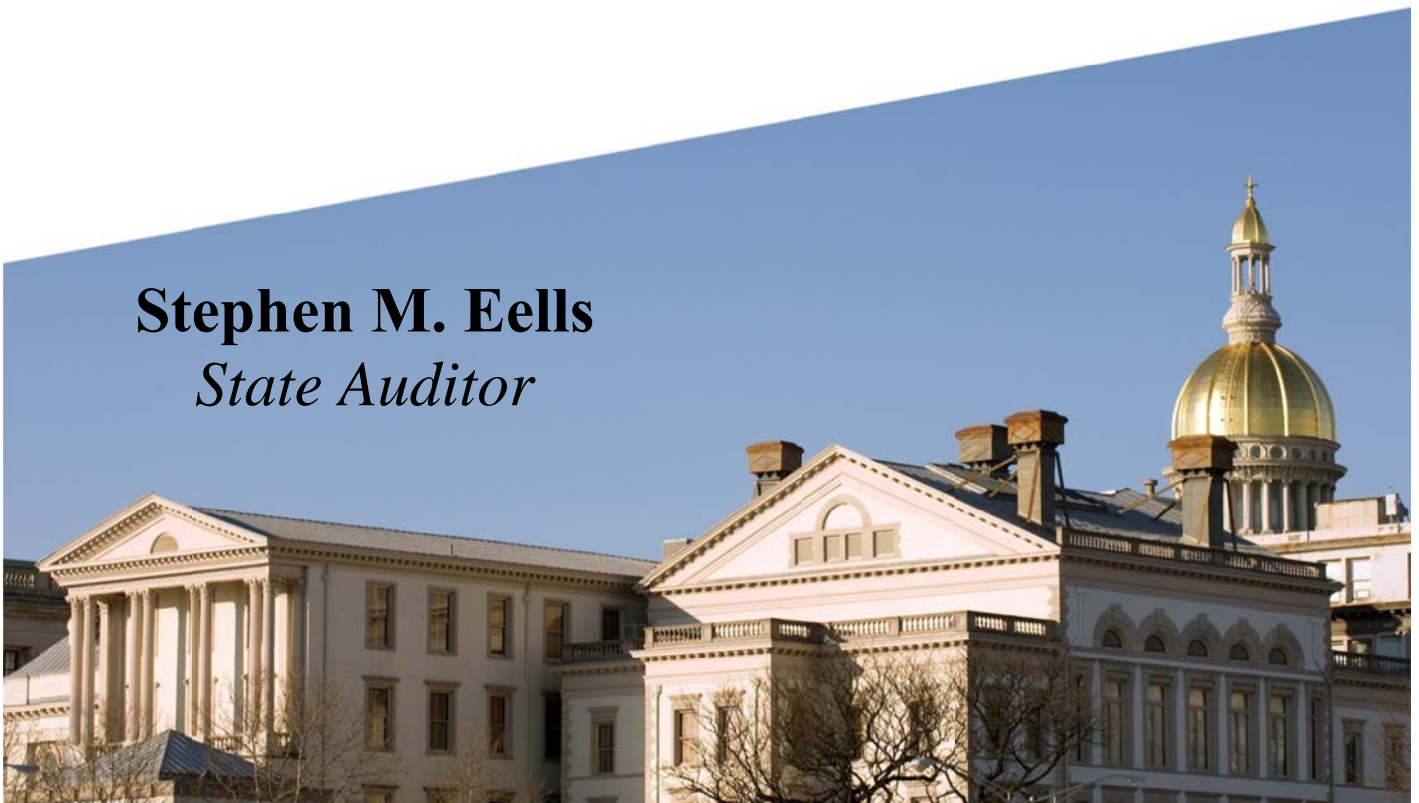


New Jersey Legislature
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OFFICE OF THE STATE AUDITOR

Belleville Public Schools

July 1, 2013 to June 30, 2016

Stephen M. Eells
State Auditor



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Enclosed is our report on the audit of the Belleville Public Schools for the period of July 1, 2013 to June 30, 2016. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, reading "Stephen M. Eells".

Stephen M. Eells
State Auditor
June 5, 2018

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Scope

We have completed an audit of the Belleville Public Schools (district) for the period July 1, 2013 to June 30, 2016. Our audit included financial activities accounted for in the district's General Fund. Annual General Fund expenditures for fiscal years 2014 through 2016 averaged \$70.1 million. Annual state aid receipts averaged \$34.1 million for fiscal years 2014 through 2016. In fiscal year 2015, the Department of Education provided state aid of \$36.8 million which included a \$4.2 million loan as an advance of state aid to address the district's fiscal year 2014 budget deficit. The loan is to be repaid over a period of ten years. The district provides regular, vocational, and special educational services for grade levels Pre-K through 12. Annual enrollments for fiscal years 2014 to 2016 averaged 4,650. In September 2014, the district's accounting system experienced a catastrophic crash due to the malfunctioning of two hard drives and failure to properly back-up the system. As a result, the district lost August 2014 expenditure data and all payroll data from January 2014 through September 2014, therefore limiting our ability to perform in-depth expenditure and payroll analysis and testing. Since May 2014, the Commissioner of Education has appointed a state monitor to oversee the fiscal operations of the district.

Objectives

The primary objective of our audit was to determine the factors that contributed to the 2014 fiscal year-end General Fund budgetary deficit of \$3,712,400 as reported in the district's Comprehensive Annual Financial Report. Additional objectives were to determine whether financial transactions were related to the district's programs, were reasonable, and were recorded properly in the accounting systems.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in the "School District Fiscal Accountability Act", Title 18A:7A-57 of the New Jersey Statutes, and pursuant to Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, the administrative code, and policies of the Department of Education and the district. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing of financial transactions. We read the district's budgets and the Belleville Board of Education (board) minutes, reviewed financial trends, and interviewed

district personnel to obtain an understanding of the programs and the internal controls. In addition, we reviewed the annual audited financial reports of the district issued by public school accountants.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions on our audit objectives as well as internal controls and compliance. Sample populations were sorted and transactions were judgmentally selected for testing.

Conclusions

We found the 2014 fiscal year-end General Fund budgetary deficit resulted from management's disregard for the budget limits and inaction in controlling spending. The lack of relevant experienced staff inhibited the district's ability to establish and enforce internal controls to ensure district resources were expended in an efficient and effective manner. The financial transactions included in our testing were related to the district's programs, however, they were not always reasonable or properly recorded in the accounting system. Some transactions were never approved by the board and some were made with related parties. In addition, we found weaknesses over payroll and information technology meriting the district's attention.

Certain matters were referred to the state's Division of Criminal Justice.

General Fund Budgetary Deficit

The district failed to ensure spending within budgetary limits as required by N.J.A.C. 6A:23A-16.10.

The district incurred a 2014 fiscal year-end General Fund budgetary deficit of \$3,712,400. More than 90 budget line accounts were over-expended. The deficit was a result of inadequate budgetary controls due to management's disregard of the budget limits and inaction in controlling spending. In July 2012, the district's longtime Board Secretary/Business Administrator (BA) retired, followed by a series of short-term BAs. In September 2012, the district hired an individual with a provisional BA certification, but no prior relevant experience as the Interim BA, and then as the BA effective August 2013. According to his resume, his professional experience included working for two years as a sales representative for a telecommunication company and for one year as a sales manager. For six years prior to being hired by the district, he worked as an actor. Also, in September 2012, the district appointed the Director of Special Services (hired in July 2011) to the Interim Superintendent position, and in April 2013 to the Superintendent position. The individual possessed the required certification but lacked prior superintendent experience. According to various district employees, the hiring of the BA and Superintendent was influenced by the BA's relative, who had no official ties to the district but who exerted significant influence over the district operations during that time period.

During fiscal year 2013, the first year under the new administration, district expenditures increased nearly \$7.8 million (12.7 percent) and exceeded revenues and other financing sources by nearly \$2.0 million. The expenditure increase included \$1.9 million for non-budgeted and financed roof renovation projects, and purchases of school buses, trucks, and mowers. It also included a \$169,000 non-budgeted cash purchase of a residential property. In addition, the district entered into a \$1.9 million contract for acquisition and installation of a security system and network upgrades that were originally intended to be limited to \$1.2 million.

Fiscal year 2013 also included a more than \$2.6 million (7.3 percent) rise in salaries (including non-budgeted salaries of armed guards). However, despite this prior year experience, the district actually budgeted a one percent decrease in fiscal year 2014 salaries compared to the fiscal year 2013 salary expenses with no apparent intent to reduce staffing levels. Fiscal year 2014 actual salaries exceeded the original budget by \$2.3 million or 6.1 percent. We were unable to perform a detailed analysis of fiscal year 2014 salaries and staffing levels because the district's accounting and payroll computer system crashed in September 2014. As a result, the January 2014 through September 2014 payroll data was permanently lost and not available for our review.

Recommendation

We recommend the district prepare fiscally sound budgets, implement controls to ensure spending within budgetary limits as required by N.J.A.C. 6A:23A-16.10, and hire experienced individuals to monitor the budgeting process.

**Security System, Telecommunication, and
Information Technology (IT) Contracts**

The district awarded contracts without proper competition or regard for cost.

Between March 2013 and April 2014, the district entered into multiple contracts with a technology vendor at a cost of nearly \$2.6 million.

Telecommunication and Security Technology Audit

In January 2013, the district invited a technology vendor to make an informal presentation regarding augmented security and communications for the district. The technology vendor's president was introduced to the district by the district's legal counsel. Following the presentation, the technology vendor submitted a written proposal to audit the network infrastructure including inspection of video surveillance devices, telecommunications devices, physical security devices, intercom, bell annunciation, public address system, and the interaction and configuration of these technologies. Upon completion of the audit, the technology vendor was to prepare a detailed report of its findings and provide a basic list of recommendations. The proposal was priced at \$11,980. In the report submitted to the district in March 2013, the technology vendor concluded that:

- the CCTV camera system being installed was "plagued with issues", was extremely limited, and there was a number of cameras being installed that was sufficient for general observation but not evidentiary recapture,
- the telephone system was in very poor shape and the phones installed were at end-of-life, rendering the entirety as unacceptable,
- the IT network infrastructure was in poor shape with cabling installed in a haphazard fashion, and
- the district server room, located in the board office, was not secured.

Three days following the submission of the report, on March 4, 2013 the technology vendor sent the district a proposal to prepare equipment specifications for telecommunication and

security technology based on the submitted report. The cost of the list and design specification was \$5,500. We were not provided with a copy of the specification list.

Enterprise User Service Agreement

On March 14, 2013, the district entered into the Enterprise User Service Agreement (EUSA) with the technology vendor for providing telephone and internet services for \$10,319 per month, an annual cost of \$123,828. The term of the contract was 36 months with automatic subsequent renewal on a monthly basis unless written notice of non-renewal was provided at least ten days before the end of the month. We were originally told that there was no formal bidding process conducted for the service, however we were later provided with copies of some quotations obtained by the district from other service providers. Unlike the quotes from the other providers, the EUSA did not include desk phones as part of the agreement even though the vendor previously concluded that the existing phones were at their end-of-life and were also part of the district's telecommunication service specifications. The technology vendor was approved to provide the support for communication and internet access during the March 18, 2013 board meeting at the aforementioned cost per month which, as the board resolution stated, was reimbursable at 71 percent via E-rate (the commonly used name for the Schools and Libraries Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission. The purpose of the program is to make telecommunications and information services more affordable for schools and libraries in America). The EUSA made no reference to E-rate or to any potential reimbursement. The technology vendor was not an approved E-rate vendor at the time the resolution was passed and ultimately failed to secure the approval. In July 2015, the USAC sent the district a request for further information and documentation concerning the district's competitive bidding and vendor selection process raising concerns about the district's compliance with the applicable state and local procurement requirements and federal E-rate program rules. The district was not approved for the EUSA contract reimbursements, resulting in an estimated loss of over \$154,000 in federal reimbursements.

Security and Telecommunication Contract

Effective June 1, 2013, the district signed a \$1,950,000 agreement with the same technology vendor for installation and services of security and telecommunication equipment. The technology vendor was the only bidder for the services. The invitation to bid was advertised by the district on April 25, 2013 in only one local weekly newspaper. The bid due date was set for May 9, 2013 allowing other bidders only nine business days (excluding the day of advertisement and the bid submission due date) to prepare and submit their bids. As previously stated, in January 2013, the technology vendor was paid by the district to evaluate the security system in place, and in March 2013 for preparing a list and designing specifications for the installation of the necessary equipment, thereby placing the technology vendor at a competitive advantage. While other bidders had nine business days to prepare and submit their bids, it took the technology vendor approximately seven weeks to deliver its initial recommendations and essentially bid on its own specifications. The technology vendor's responsibilities under the agreement included, among other things, hardware support and repair, and installation of all

new equipment including the cost of cabling. The technology vendor used unqualified district custodians to perform this installation. Based on the subsequent vendor's evaluation, the cabling used was in violation of industry standards and constituted a fire hazard. The contract specifications included, among other things, nearly 1,000 cameras and 4,700 smart ID tags. The cameras were installed in all classrooms, and their use was strongly opposed by the teachers. The cameras were eventually repositioned to the hallways and stairways. The specifications also included over 420 classroom and office phones, PBXs, and port and switch boxes totaling over \$124,000. As previously stated (see EUSA on page 5), the cost of phones was included as part of all quotes for telephone and internet services obtained by the district from other vendors. It appears that the technology vendor double-charged the district for this telephone equipment.

The technology vendor was paid for the services in four installments. The first payment of \$1.16 million was made in July 2013 but was not supported by a bill. The technology vendor's invoices were provided for the remaining October 2013, January 2014, and March 2014 payments but did not include enough detail to determine the goods and services were provided.

After securing the agreement for installation and services of security and telecommunication equipment, the technology vendor hired relatives of two key individuals of the district. We also noted that there was an individual involved in the execution of the contract that had no official ties to the district. For instance, a meeting was held at the individual's place of business to discuss the installation process. The individual seemed to lead the meeting and was listed in the written minutes as a district board member. According to various district employees, this individual exerted significant influence over the district operations during that time period.

In June 2014, after the technology vendor was paid, the district engaged an outside consultant to perform the infrastructure overview and to answer the question, "what do we have and how is it working?" The consultant's overall impression was that the district's information technology was severely lacking. The report further stated that:

- the new physical security and surveillance system employed some modern technologies but did not integrate properly into the rest of the network,
- the installation of the system components did not always appear professional or consistent,
- access to the system was of great concern as the system was not isolated from the network, and
- the system itself felt to be of a "home-brew" variety and did not justify its immense cost.

According to the report, the technology vendor admitted to accomplishing very little during the past nine months to correct some of the most basic issues. The most troubling observation, according to the report, was that the district already owned a professional-grade surveillance system designed for high-performance, security, and expendability. While the system owned was under the end-of-life status, a new one was available and its pricing was in line with what

the district spent on the technology vendor's home-grown system, which appeared to be pieced together from various components. The systems back-up, according to the consultant, was performed via generally reliable and affordable tape, but a combination of on-site and off-site disaster recovery combined with local vSphere snapshots should have been employed. The consultant also observed that the phone system installed and operated by the technology vendor was generally lacking in terms of features when compared to established IP phone vendors.

Emergency IT Support Contract

On December 9, 2013, at the request of the district, the technology vendor proposed to provide onsite and remote IT support on an emergent basis. We were not provided with a written statement of emergency as required by N.J.S.A. 18A:18A-7. In addition, the contract award seemed to be in violation of N.J.A.C. 5:34-6.1(a) that requires existence of imminent emergency where the need for goods or services could not be reasonably foreseen. The district had an expiring IT support contract and should have engaged in a competitive procurement process in advance. The district also failed to notify the Executive County Superintendent of the emergency contract award, as required by the administrative code.

Outsourcing of IT Department Contract

On February 24, 2014, the district's board approved a resolution authorizing the award of a five-year contract to the technology vendor for outsourcing of its internet technology department. The district's request for proposal required potential bidders to be located within 15 miles from the district, therefore limiting the competition. The technology vendor was the only bidder for these services. According to the written agreement, the term of the contract was March 1, 2014 through February 28, 2015. The annual cost of the service was \$240,000 payable in equal monthly installments of \$20,000. This was \$74,000 per year more than the district paid to its previous vendor for similar service. The technology vendor's responsibilities included software and hardware support and repair, phone, server and desktop support, installation of all new equipment, sole responsibility for all aspects of system administration activities, and back-up and maintenance of all copies of any back-up. The contract also required the technology vendor to have in place a disaster recovery and continuity of operations plan guaranteeing the district continued services, regardless of circumstances. The contract also stipulated that the agreement could be terminated by the district upon a 90-day notice for cause and that either party may terminate the agreement if the other party materially breached the agreement.

Over the Labor Day weekend of 2014, after at least two months of disputes between the district and the technology vendor concerning an overheated server room and the need to replace failing network hard drives, the district's systems, including accounting and student records, experienced a catastrophic crash.

Cancellation of Contracts

In June 2014, the district stopped making payments to the technology vendor and on August 11, 2014 forwarded correspondence to the technology vendor terminating the outsourcing of the internet technology department contract effective 90 days from the date of the letter. At the end of September 2014, the technology vendor initiated a legal action against the district and twice cut off the district's phone services. In December 2015, an arbitrator awarded the technology vendor \$305,000 and the pre-award interest from February 21, 2015 to the date of the award at the rate of 2.25 percent. In making her decision, the arbitrator stated that:

- the district had no right to terminate the contracts,
- the district raised no significant performance issues with the technology vendor before its contracts were terminated,
- there was no evidence that the district ever challenged any of the technology vendor's invoices, and
- there was no evidence that the contract placed responsibility for compliance with the E-rate program on the technology vendor.

The arbitrator also found it "striking" that shortly after terminating its contract with the technology vendor, the district entered into a multimillion dollar contract with another firm. In fact, during fiscal years 2015 and 2016, the district spent over \$3.9 million with its new IT vendor and nearly \$230,000 with the phone vendor. Per the arbitrator, each party was to bear its own attorney's fees. The district's legal fees amounted to about \$164,000.

Other Purchases

During fiscal year 2014, the technology vendor was also paid \$72,000 for items outside of the above contracts, including \$37,000 in Hewlett-Packard maintenance kits for school printers. We were not provided with evidence that these purchases were properly bid or contracted. The review of the technology vendor's invoices for the maintenance kits showed that the vendor acted as a middleman for the purchases. The technology vendor charged the district from \$145 to \$195 for each kit, a markup of between 15 percent and 39 percent. It appears the technology vendor earned over \$7,600 for its middleman role. We also noted that the technology vendor seemed to charge different prices for the same items. The need for the maintenance kits was questionable since the district's printers were at the end-of-life status. In December 2015, the district purchased 405 printers for \$60 each, significantly less than the cost of the maintenance kits.

Recommendation

We recommend the district adhere to the provisions of N.J.S.A. 18A:18A when procuring goods and services by exercising proper regard for bidding, competition, and cost.



Information System Crash

The district failed to implement a disaster recovery plan resulting in a loss of data after a system crash.

Industry best practices require periodic testing of the business continuity plan to ensure adequate controls are in place and functioning properly to minimize the loss of data if a disruption were to occur. Additionally, periodic testing measures the feasibility of the plan and identifies any modifications that may be required because of noted weaknesses. In September 2014, the district experienced a catastrophic crash of its computerized systems due to an overheated server room, failure to replace failing network hard drives, and failure to properly back-up data. Although data back-ups were performed, their reliability was never tested. During the recovery attempts, it became apparent that the back-up data was corrupted and could not be restored. This resulted in permanent loss of January 2014 through September 2014 payroll data, August 2014 expenditure data, emails prior to October 2014, and some student attendance, scheduling, and grades data. The district had to request copies of June 2014 payroll stubs from its employees in order to issue payroll checks.

In March 2016, the district developed a new information technology disaster recovery plan. It requires periodic testing of the plan in a simulated environment to ensure it can be implemented in emergency situations and that the management and staff understand how it should be executed. However, as of the end of January 2017, more than two years after the crash, the plan still had not been tested.

Environmental controls can diminish losses from some interruptions such as overheating, smoke, fires, or water leaks; or prevent incidents by early detection of potential problems so that they can be remedied. Also, uninterruptible or back-up power supplies can carry a facility through a short power outage or provide time to back-up data and perform orderly shut-down procedures during extended power outages. During our review, the district's server room lacked proper fire suppression devices, humidity and temperature control devices, water detectors, and an adequate back-up power supply. We noted the server room was also used as a storage room and was half-filled with cardboard boxes, thereby, creating a fire hazard and preventing proper air circulation.

Recommendation

We recommend the district periodically test its technology disaster recovery plan and equip the server room adequately to ensure the safety of system data and continuity of district operations.



Information System Security

Reassigning duties of the system administrator and maintaining formal security policies and procedures over the administration of access to its computer resources will strengthen controls over all computerized systems.

Lack of formal policies and procedures weaken the internal control environment throughout the organization. Access controls should be maintained to prevent and detect unauthorized access to computer resources. Policies and procedures should be designed for administering these controls to ensure user accountability and password confidentiality and to provide only the access necessary to perform assigned job responsibilities. The district utilizes budgetary accounting and payroll modules of SMARTS-Computer Solutions Inc. (CSI) system. Our review of the CSI system noted system security was not adequately administered as evidenced by the following conditions:

- There were no internal policies or procedures in place for CSI users.
- Users were required to create a password upon receiving access to the CSI system, however, there was no time restriction built into the system or administrative controls requiring users to periodically change their passwords.
- Users were added to the modules of the CSI system by the system vendor at the request of the district's accounts payable employee who served as the CSI system administrator. The system administrator should be independent of any transaction process.
- We noted users with multiple active log-in IDs for accounting and payroll modules of the CSI system, as well as users whose job responsibilities did not necessitate module/system access.
- Levels of access to the CSI system were assigned by the district's system administrator (also the accounts payable employee). In September 2016, multiple users had system privileges beyond those required to perform their job responsibilities. Four users, including the Superintendent, Interim Business Administrator, Treasurer, and the system administrator had full system access to the accounting module and five users had full access to the payroll module. These five individuals included the Superintendent, Interim Business Administrator, newly hired Business Administrator, the system administrator, and a user

under a fictitious name. The access under the fictitious name was created by a former head of technology who separated from the district in June 2013.

- A periodic monitoring of individual access to computer resources was not performed. At the time of our review, 12 users had not accessed the accounting module and 8 users had not accessed the payroll module for at least a year. In addition, access to the accounting and payroll modules was not terminated for 2 and 4 users, respectively, upon termination of their employment with the district. After their separation, the user access of a former treasurer, who terminated employment on January 1, 2017, and a former secretary who retired on February 1, 2017, was used to access the payroll module 5 and 6 times, respectively, as of March 23, 2017. Access to both modules was also not removed for a former IT vendor.

Recommendation

We recommend the district reassign duties of the system administrator to someone independent of any transaction process. We further recommend the district develop and maintain security policies and procedures to ensure user accountability, password confidentiality, privilege suitability, and timely termination of system access upon transfer or separation.



Sale, Lease, and Acquisition of Properties

Sale of School #1

The district lost \$550,000 in potential resources by selling one of its schools for \$1.

In December 2011, the district sold to the Township of Belleville one of its schools, commonly known as School #1, for a price of one dollar. According to the township attorney, the township demolished the school and cleared the property title at the cost of approximately \$450,000. In December 2013, the township sold the property to a developer for \$1.0 million.

After the school closed, the school property was used by the district to park school buses. Following the 2011 sale, the district had been parking school buses, free of charge, at the township-owned former roller rink located behind the School #9. No formal lease for the use of land was made between the district and township. Instead of giving away School #1 and losing \$550,000 in potential resources, the district could have attempted to swap the property for the former roller rink.

Recommendation

We recommend the district refrain from giving away assets resulting in a loss of valuable resources, without compensation.

Lease of Property

The district leased property from a related party.

In August 2012, the district signed a five-year lease agreement commencing on September 1, 2012. The agreement was entered into with relatives of a district board trustee at the time. The trustee disclosed his relationship with the landlord in his personal disclosure statements for calendar years 2013 and 2014. The monthly rent for the property was \$3,200 for a total lease cost to the district of \$192,000. The agreement gave the district an option to terminate the lease upon thirty-day notice delivered to the landlord between March 15 and May 15 of each calendar year. The district did not exercise the option.

The agreement was to lease an approximately 50 feet by 157 feet lot with a 2,800 square foot garage structure. According to the district's management, the property was to be utilized for bus parking and for maintaining and repairing buses in-house. Based on our observation, the garage was more of a storage room with an overhead door than an auto repair shop and lacked any special fittings or equipment for bus maintenance or repairs. According to the district's maintenance employees, they were not qualified or knew how to fix buses, the garage was used for an occasional oil change, and the buses were repaired by outside vendors. We also observed that since the garage structure occupied a substantial part of the lot, the space left for parking was limited to five buses.

We questioned the necessity of leasing the property at a cost of \$200,000, because after the lease terminated, buses were parked at school properties.

Recommendation

We recommend the district refrain from making decisions that result in unnecessary costs and give greater scrutiny and transparency before entering into related party contracts.

Acquisition of Residential Property

The district purchased residential property without proper budgeting and approvals.

N.J.S.A. 18A:20-4.1(b) and N.J.A.C. 6A:26-3.12 (c) require securing the consent of legal voters before acquisition of land by a school district. In addition, N.J.A.C. 6A:26-7.1 (a) does not allow a district to take any action to acquire land prior to attaining Department of Education (DOE) approval. On January 3, 2013, the district acquired the 58 Bellavista Avenue property in Belleville, New Jersey without proper budgeting and proper voter and DOE approval. Documents provided by the district disclosed that the negotiations concerning the purchase of the property started at least three months prior to the acquisition, and the sale closed prior to the January 14, 2013 district's board approval. The district contacted their County Superintendent's office for advice concerning preparation of a board resolution and received a copy of the pertinent administrative code only one day prior to signing the deed.

The property is located between the leased property described in the previous finding and one of the district's schools. The property included a one-family house with a stand-alone masonry garage behind the house. The cost of the property was \$165,000 plus closing costs of \$4,000. The house was later demolished, and the property paved and converted into a parking lot for school buses. The district spent an additional \$30,000 including \$24,000 for asbestos removal, nearly \$5,000 for asbestos management, and \$1,000 for an oil tank removal. These costs do not include the cost of paving material and the cost of labor by district employees. The property is not large enough to accommodate all district school buses.

In general, school district properties are exempt from property taxes. The acquired property was classified as residential subject to property taxes, and the district failed to file the formal request with the township for the tax exemption. In September 2016, the district and the township reached the mutual agreement for the district to pay 2013 and 2014 outstanding property taxes totaling nearly \$12,500 plus interest of nearly \$5,300. The property was deemed tax-exempt for 2015, 2016, and 2017 through municipal resolutions.

In February 2017, the district requested permission from the township to erect a 2,400 square foot steel building on the property. After spending nearly \$400,000 on the property lease and the parking lot, the buses were parked throughout the various schools, as they could have been from the start.

Recommendation

We recommend the district develop a cost-benefit analysis prior to making acquisitions and comply with applicable statutes and regulations.



Procurement

Internal Controls

The district's procurement process needs to be strengthened.

The purpose of internal control is to provide adequate checks and balances to ensure financial transactions are properly authorized and recorded, and to provide a means to safeguard assets. The district failed to comply with N.J.S.A. 18A:18A (Public School Contracts Law) and deficiencies, such as lack of segregation of duties, were found in most areas of the procurement process. Two individuals responsible for processing purchases are able to create and adjust purchase orders, process payments, enter vendors into the computerized accounting system, and mail payments. Failure to segregate these duties increases the risk of unauthorized transactions and decreases the ability to detect errors timely.

Our sample of July 1, 2013 through March 3, 2016 expenditure transactions disclosed the following control weaknesses or violations of statutes:

- 18 of 50 transactions were not supported by proper documentation, such as purchase orders, invoices, and/or receiving reports.
- 10 of 50 purchase orders were created after the purchase was made.
- 13 of 14 transactions requiring bids or quotes lacked supporting documentation showing publicly advertised bids or competitive quotes were obtained.
- 11 of 50 transactions were not approved by the board.
- Payments for 3 of 50 transactions were made 5 months or more after the invoice date.
- 3 of 50 transactions were recorded in the incorrect budgeted fiscal year.
- New Jersey Business Registration Certificates were not obtained from 21 of 32 vendors as required by N.J.S.A. 52:32-44.
- The Business Administrator did not submit a written report to the Board of Education on the status of district contracts by July 1 of each school year in accordance with N.J.S.A. 18A:18A-42.2.

Recommendation

We recommend the district review and strengthen internal controls over the procurement process to ensure proper segregation of duties and compliance with applicable laws. Additionally, the Business Administrator should submit written reports to the Board of Education in compliance with N.J.S.A. 18A:18A-42.2.

Special Education Services Contract

Related party relationships were not disclosed and competitive bids were not obtained prior to engaging in a questionable contract.

During fiscal year 2012, the district contracted with a vendor to provide special education services including physical and occupational therapy, applied behavior analysis, home observations, and evaluations for children for an individual educational plan. According to district employees we interviewed, the vendor's owner was a friend and former co-worker of the district's Director of Special Services who was originally hired for the position during fiscal year 2012 and became the district's Superintendent in September 2012. The vendor's owner was also a relative of the district's Business Administrator (BA) who was hired in September 2012. In addition, the BA was a co-owner of this business. We obtained the calendar year 2013

Personal Disclosure Statement filed by the BA and noted he did not disclose his co-ownership of this business.

The vendor was paid approximately \$97,000 for fiscal year 2012 through fiscal year 2014 services, including \$58,000 during fiscal year 2012. Competitive bids were not obtained prior to the contract. According to the vendor's website, the owner was the vendor's only employee. We verified that wages were not paid by the vendor to any employees during that time period. The vendor's services, other than the student evaluations (the invoices did not identify who provided the service), were provided through eight independent sub-contractors. The vendor essentially earned more than \$19,000 acting as a middleman. Our review of the vendor's invoices also noted a lack of support for payments totaling \$6,000. We also noted copies of multiple fiscal year 2012 correspondence sent to the vendor from the district's special services office. This correspondence informed the vendor that, based on the bills submitted to the district's special services office by the vendor's sub-contractors, the district prepared the vendor's payment vouchers on its behalf. The correspondence also instructed the vendor how much to pay its sub-contractors.

Recommendation

We recommend the district give greater scrutiny before contracting with related parties and adhere to N.J.S.A. 18A:18A.

Purchase of Flash Drives

The district spent \$20,000 for flash drives it did not need and could not use.

In April 2013, the district purchased 2,000, 8GB flash drives, at the cost of \$9.95 each, from a local printing company. At the time, the company employed a district board trustee as one of its sales representatives.

Two days before the district created a purchase order, the trustee, along with his co-worker, filed a police report on behalf of the printing company stating that the trustee was contacted by email about purchasing 2,000 flash drives from the printing company. Payment for the flash drives was fraudulent and the flash drives were never issued to the fraudster leaving the company with 2,000 flash drives. According to the copy of the invoice issued to the fraudster, the board trustee was the salesperson for the transaction.

In addition to the nearly \$20,000 flash drives cost, the printing company also charged the district \$250 for shipping. The company was located 1.8 miles from the district, and the flash drives could have been picked up by a district employee.

The district had no need for these flash drives. Most of the computers were obsolete and were not equipped with USB ports. The flash drives were found in a locked file cabinet in the superintendent's office by the district's subsequent administration. Some of the flash drives were distributed to the district secretaries, staff members, and faculty. We observed the nearly

full box of undistributed flash drives stored in the management's office more than three years after the purchase.

Recommendation

We recommend the district follow proper bidding procedures and refrain from making costly, unnecessary purchases.

Cellular Phones

The district needs to strengthen internal controls over cellular phone issuance and usage.

The district's technology device policy, which includes cellular phones, requires a designated staff member to administer the issuance of devices and to maintain direct oversight of inventory, service contacts, and internal controls. The policy prohibits the use of a device by any other person except as authorized by the Superintendent or designee. The devices should be used for the sole and express purpose of conducting official district business.

The district paid over \$103,300 in cellular phone charges during fiscal year 2014 through fiscal year 2016. Fiscal year 2014 transactions included a \$10,400 data usage charge the district could not explain. Fiscal year 2014 payments also included more than \$3,200 in roaming charges, some of which resulted from weekend and after-hour phone calls to family members. As of January 2017, the district had 71 cellular phones, 60 active and 11 suspended. Despite multiple attempts, the district was unable to provide us with an accurate list of users. Our attempt to verify all cellular phone users was also unsuccessful.

Recommendation

We recommend the district adhere to its cellular phone policy and develop an accurate list of the cellular phone users and monitor their usage.

Legal fees

The district needs to take steps to lower its escalating legal fees.

According to N.J.A.C. 6A:23A-5.2(a), districts with legal costs that exceed 130 percent of the statewide average per pupil cost are required to implement procedures to reduce these costs. These procedures should, for instance, include developing criteria to prevent the use of legal counsel unnecessarily, or should include a provision to maintain a log of all legal counsel contacted and their names. The district's legal fees totaled \$149,000 in fiscal year 2013, \$376,000 in fiscal year 2014, \$665,000 in fiscal year 2015, and \$799,000 in fiscal year 2016. According to the Department of Education Taxpayers' Guide to Education Spending, during fiscal year 2016, legal expenses for the group of 103 comparable districts ranged from \$10 to \$260 per student and averaged less than \$45 per student. The district averaged \$175 per student

(291 percent more than the state average) for legal fees during fiscal year 2016 and ranked the fourth highest in its group.

During fiscal year 2016, the district paid legal fees to ten different law firms without written contracts. The highest fees of nearly \$719,000 were paid to the law office that served as the district's general counsel and labor negotiator. There was no formal contract between the district and the law firm but only a proposal for services submitted to the district in June 2014. We reviewed fiscal year 2016 legal fees paid to the firm and noted that \$217,000 was paid for general matter services (e.g. discipline, program and placement, faculty dress code, or boiler replacement issues) and \$124,000 for labor negotiations. The remaining charges were for services related to various grievances, complaints, and lawsuits filed against the district.

Recommendation

We recommend the district take steps such as negotiating a contract for legal services that includes a fixed retainer for general matter services or hiring a full-time staff attorney to control and lower its legal fees.



Payroll and Personnel

Sick Leave Payments

Sick leave payments should be in accordance with governing statutes.

N.J.S.A. 18A:30-3.5 limits an unused sick leave payment to school superintendents and business administrators to the amount accumulated before the effective date of the statute (June 2007) or \$15,000, whichever is greater. This supplemental compensation should be payable only at the time of retirement. In addition, N.J.S.A. 18A:30-3.6 placed a \$15,000 unused sick leave payment cap (upon retirement) on all employees hired after May 2010.

The district limits the sick leave payment for teachers hired prior to May 2010 to \$23,205 but not for administrators (school principals, directors, and supervisors). According to fiscal years 2012 through 2015 administrator employee contracts, existing district employees who were hired for a position covered under the contract were subject to a maximum terminal payout of \$15,000 or the amount previously accumulated, if greater. This language was eliminated from the recently negotiated fiscal years 2016 through 2019 contract, therefore increasing the district's liability for accumulated sick leave payments to affected employees.

Using fiscal year 2019 rates and current unused sick leave balances, employees eligible under the contract as of March 8, 2017, would receive \$11,000 to \$103,000 in unused sick leave payments.

The contract is also in violation of the statute. It offers the payment on the basis of sick leave to any employee with fifteen years or more of service upon any type of termination rather than only retirement as required by the statute. The contract limits the sick leave payment upon retirement only to employees hired after December 31, 2016.

The last two contracts offered a monetary incentive to employees with 15 or more years of experience who retired by June 30, 2015 or by June 30, 2017. Only one employee took advantage of the fiscal year 2015 incentive which increased her payment by \$9,200 for a total of \$59,000. This employee was overpaid \$4,209 for 23 sick days which should not have been added to the payable balance when the employee assumed responsibilities covered under N.J.S.A. 18A:30-3.5 during fiscal year 2014. In addition, immediately following her retirement, she was hired for the term of July 1, 2015 through September 30, 2015 as an educational consultant to provide, according to the consultant agreement, training and transitional services as requested and assigned. The consulting arrangement was also referred to in the individual's separation agreement. The agreement stipulated that receipt of the compensation and benefits was conditioned upon the individual's cooperation and assistance to the district prior to her resignation on June 30, 2015. The compensation included a \$39,500 payment and three months of health benefits coverage at the district's expense. When asked about specifics of the individual's work, management stated that she was paid for helping with and for testifying in the case filed against the district by one of its employees. An invoice supporting the compensation payment did not provide any detail. Also, we were not provided with a detailed description of the individual's work.

Recommendation

We recommend that the district adhere to statutory limits for payments for accumulated sick leave.

Stipends

Stipends should be paid in accordance with employee contracts.

During fiscal year 2014, the district's head custodian received a stipend of \$5,000 which was approved by the district's board upon the recommendation of the Superintendent. The board resolution stated, however, that the amount of the stipend was based on the employee's contract. Per the 2011-2014 custodian and maintenance employee contract, a head custodian was entitled to a \$3,000 annual stipend. During fiscal year 2015, the same individual received an \$8,000 stipend. Per his notification of appointment letter, the stipend was based on the custodian and maintenance employee contract. In the 2015-2017 contract, the annual stipend was still limited to \$3,000. There was no written contract between the district and the individual or any other documentation providing justification for the increased stipend. The stipend was also not approved by the district's board, only the individual's appointment as the right to know officer, asbestos management officer, indoor air quality coordinator, and integrated pest management coordinator for fiscal year 2015 was approved. In November 2015, the district's management recognized that the title and the duties the individual had claimed to have did not

exist. His stipend for fiscal year 2016 was reduced to the contractual amount of \$3,000, however, since he had not been notified of this until November 2015, he was also paid a prorated stipend of \$2,625 for July 2015 through November 2015. We calculate the overpaid stipends to be \$9,625 for fiscal years 2014 through 2016.

Recommendation

We recommend the district pay extra compensation payments in compliance with the terms of employee contracts. Employee duties beyond the scope of the employee contracts should be clearly and contractually defined and preapproved by the board. Additional work should be properly supported and documented.

Home Instruction

Internal controls over home instruction should be strengthened.

During fiscal year 2016, home instruction expenditures totaled \$82,400 for 48 general education students and \$77,500 for 34 special education students. The instruction was provided by 71 instructors who were compensated at the rate of \$43.05 per hour. According to district management, home instruction must be provided in one-to-one sessions.

Our review of fiscal year 2016 home instructions disclosed the following issues.

- 81 billing conflicts totaling 43 overlapping hours amounting to \$1,900 for 25 instructors. The examples of conflicts include the same student reported as being taught by multiple instructors during the same time period or an instructor billing for multiple students during the same time period. Billing conflicts ranged from 1 to 10 per instructor. We also noted that 3 instructors submitted a bill for 4 days of home instruction while on sick leave during regular school hours.
- Home instruction timesheets contain multiple addresses but do not specifically identify the location where the instruction occurred. Also, the majority of home instructions for high school students occur in the school library, contrary to the provisions of the administrative codes (N.J.A.C. 6A:16-10.1(a) and N.J.A.C. 6A:16-10.2(a)) that stipulate that the home instruction should be provided at the student's home or other suitable out-of-school setting.
- 15 students did not receive the number of days or hours of home instruction required by the N.J.A.C. 6A:14-4.8, N.J.A.C. 6A:16-10.1, and N.J.A.C. 6A:16-10.2.
- A written notification of a district intent to provide home instruction to 31 of 34 special education students was not provided to the Department of Education through its county office, as required by the N.J.A.C. 6A:14-4.8(a).

Recommendation

We recommend the district adhere to the governing regulations, and ensure proper oversight and monitoring of the program. We also recommend that timesheets identify the location of the home instruction.

Criminal History Background Checks

The district should ensure that each prospective employee completes the required criminal history background check process.

The district failed to meet its responsibility to ensure the proper background check process was completed for several employees. N.J.S.A. 18A:6-7.1 requires that all prospective employees of a school district under the supervision of the New Jersey Department of Education (NJDOE), whose job duties include regular contact with pupils, must submit to a criminal history background check as a condition of employment. We obtained, from NJDOE, a list of individuals cleared to work for the district. In January 2017, we compared this list to district employees and found the district failed to ensure the proper background check process was completed for 72 of the 910 individuals meeting the criteria. Sixty-three of these individuals were cleared by another employing district; however, if an arrest for a subsequent disqualifying offense occurred the district may not be notified. We informed district management of this issue. We subsequently reviewed these 72 individuals in April 2018 to ensure the proper background check process was completed for the district. We found 58 individuals were cleared to work for the district and 14 were not, including 3 that did not have a background check for any school district.

Recommendation

We recommend the district ensure that each potential employee complete the required criminal history background process prior to employment.

Health Benefits

Monthly billings are not reviewed to verify enrollment eligibility.

The district provides health, prescription drug, and dental coverage to its eligible employees and their dependents through the State Health Benefits Program and two private insurance companies. The district notifies the plan administrators of any changes in coverage due to hiring, terminations, or changes in coverage status. We compared the December 2015 billing lists of covered employees to the district's employee listing and found the following exceptions.

- Three former employees were not removed from medical coverage for a period of 18 to 30 months after separation. We calculated the errors resulted in overpayment of \$74,000 in medical premiums.

- Four former employees and one employee on leave without pay were not removed from prescription drug coverage for a period of 2 to 28 months after separation or leave without pay. In addition, one employee was not billed for 13 months while on Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage. Also, the wife of a retired employee was not removed from coverage for a period of 14.5 years. According to the contract between the district and the retiree dated June 1990, he and his dependents were entitled to free prescription drug coverage for the remainder of his natural life. In case he died within 11 years of the effective date of the contract, his widow was entitled to free benefits until 11 years from the effective date of the contract. We verified that the retiree died in 1999 and his wife should have been taken off the benefits in 2001.
- Eleven former employees and two employees on leave without pay were not removed (or billed) for dental benefits for a period of 2 months to 8.5 years. One of these employees had been listed on the provider's website as terminated from benefits as of November 1, 2015 but was not removed from the bill. The district failed to review monthly itemized lists supporting the dental premium bills which would have identified a terminated individual.

The district offers dental coverage to retired employees who elect to participate in the plan. Retirees are billed for dental premiums twice a year. The district keeps a folder with copies of mailed invoices and upon receipt of payment removes the invoice copy from the folder. A business office employee stated that payments were up-to-date, but since there were no formal accounts receivable records, we could not verify the accuracy of that statement.

The district offers an opt-out program for health benefits. Employees are paid \$2,500 for opting out of family coverage, \$2,000 for husband and wife coverage, and \$800 for single coverage. Payments are made to employees in two equal installments in December and June. Employees are required to fill out the opt-out application annually and attach an insurance card verifying proof of other coverage. We tested fiscal year 2015 and half of fiscal year 2016 (December 2015) opt-out payments that totaled \$81,000 and \$46,000 respectively, and found that copies of insurance cards were not always attached to the form or the type of coverage was not always specified on a card.

Recommendation

We recommend the district:

- Ensure procedures are in place for the timely removal of terminated employees from the district's benefit plans. The procedure should require a review of monthly billings for enrollment eligibility.
- Establish an account receivable ledger for dental coverage payments from district retirees.

- Document the opt-out application from every employee participating in the program that clearly defines the type of coverage before any opt-out payments are made.



Other Matters

Student Field Trips

The district should keep proper documentation in support of revenue collected and choose field trips appropriate for student participation.

Between October 2012 and March 2014, district students attended live tapings of a Stamford, Connecticut based tabloid talk show with adult themes. Transportation for the district's students was provided by the show. The show premiered in September 2012 and was cancelled in April 2014. According to the show website and the August 2013 flyer found on the internet, those attending had to be at least 18 years old (government ID was required) and would receive a free lunch plus \$50 cash for attending Thursday shows and \$70 for attending Friday shows.

The trips to the show were organized through the district's mass communication program. According to the written justifications prepared by the program coordinator, the show would help students "demonstrate creative, critical thinking, collaboration and problem solving skills to function successfully as global citizens and workers in diverse ethnic and organizational cultures" or to "enlist input from experts in the field, community members, and other stakeholders to design a service-learning activity that addresses a local, national, or worldwide need." We question whether the show field trip program met the above objectives or offered significant educational value considering the show included typical tabloid topics unsuitable for underage participants.

For the show trip to take place, the Field Trip Request forms had to be approved by the district Superintendent, Business Administrator, Nurse, and the district board. In addition, students were supposed to have submitted permission slips from their parents. Between October 2012 and April 2013, the district board approved 14 individual trips to the show and on April 22, 2013 made a blanket approval for the Belleville High School students to attend every Friday show during school year 2013-2014. According to a school administrator, the show field trip program was limited to high school seniors, students attended the show for the "behind the scene" experience, and all monetary donations received by the district for student participation in the show were made by check. We attempted to verify the names and the number of students who attended the show and the amount of donations received. All permission slips had been destroyed, and since the student attendance system had crashed in September 2014, we were unable to determine which students attended the show and whether they obtained parental permission. Based on the review of the field trip request forms and the check stubs provided to us, we estimated that at least 1,300 students attended 26 shows (including a trip during summer recess) and that the district received at least \$28,680 in check donations. As of fall 2012 and fall

2013, there were approximately 380 seniors enrolled in the district high school each year. Under-age students may have attended the show or students may have been taken to the show multiple times. For example, in January 2013, the approval was granted by the district administration for 50 more students to attend the January 11, 2013 show after the show requested additional participation because it had a problem filling the audience. The amount of check donations made to the district seemed inconsistent and varied between \$12.50 and \$30 per student. We were unable to determine why these amounts varied from the advertised \$50 and \$70 per person rates.

Recommendation

We recommend the district keep proper documentation in support of revenue received. We also recommend the district's field trips provide educational value to the students and are appropriate.





BELLEVILLE PUBLIC SCHOOLS

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John J. Termyna
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125 South Warren Street
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Trenton, NJ 08625-0067

Via certified and regular mail

May 20, 2018

Mr. Termyna:

I am in receipt of the audit report of the Belleville Public Schools. Please find my comments and responses to the audit findings attached as an appendix to this correspondence.

Sincerely,

Richard D. Tomko, Ph.D., M.J.
Superintendent of Schools

RT/yl

Cc: Mr. Thomas Egan, State Monitor
Mr. Matthew Paladino, School Business Administrator/Board Secretary
Mrs. Christine Lamparello, President Belleville Board of Education

General Statement

The Belleville Public Schools District is in receipt of the audit for the period from July 1, 2013 to June 30, 2016. Since the arrival of a state monitor and appointment of a new Chief School Administrator, the district has made numerous specific changes to standard operating procedures and departmental protocols to ensure compliance in all areas that encompass the tenets of the Quality Single Accountability Continuum (QSAC). Policy changes have also occurred to enhance accountability for all stakeholders and provide more stringent documentation to advance recordkeeping as an assurance that future administrations and Board Trustees continue to follow the progress made after corrective action plans were established and completed. The central administration cooperated to the fullest extent with law enforcement agencies on any and all matters referred to the New Jersey Division of Criminal Justice. In all, the district central administration and building level leaders; Board Trustees; teachers; and staff have worked extremely hard to correct any findings and, more importantly, establish that appropriate changes have been made to ensure that no repeat infractions occur.

The district failed to ensure spending within budgetary limits as required by N.J.A.C. 6A:23A-16.10

The district has established controls to ensure spending occurs within budgetary limits and budgets are fiscally sound. Budgets subsequent to the deficit year include a surplus and capital reserve. The district has also passed a referendum to repair district buildings and infrastructure.

Security System, Telecommunication, and Information Technology (IT) Contracts (p. 4)

Security system upgrades through proper bidding and contract approvals have occurred since 2015. The district adheres to all state statutes when procuring goods and services. The district pursued active litigation with regard to contracts and services surrounding this audit finding.

Information System Crash (p. 9)

The district has taken steps to provide an extensive backup plan and infrastructure to ensure all data with regard to information systems is stored in multiple storage venues (e.g. cloud). These changes include virtual and physical accommodations that addressed security, storage, and climate control for optimal system performance. An information technology disaster recovery plan was implemented and is periodically tested for accuracy and compliance during emergency situations.

Information System Security (p. 10)

The district has reassigned duties of the system administrator and restricted access with regard to specific computer resources to strengthen controls over all technology, information systems, and employees. Stricter protocols and policies have been designed to ensure greater accountability and sustainability of system security.

Sale, Lease, and Acquisition of Properties (p. 11)

The district no longer is in the practice of “giving away” assets that result in a loss of valuable resources. Further, the lease for the property at 62 BellaVista Avenue, which was cited in the audit, has been terminated by the Board in accordance with contract law.

Procurement (p. 13)

Internal controls have been strengthened with regard to procurement in compliance with all applicable laws and statute. With regard to cellular phones, the district has changed service providers and accurately monitors those individual phones to ensure that active district personnel are utilizing said accounts. In response to legal fees, the Board has acquired new representation for the district.

Payroll and Personnel (p. 17)

Although the audit findings outline language with regard to sick leave payments in accordance with statutes, all payments followed the format as prescribed in the collective bargaining agreements between the Belleville Board of Education and local bargaining units. All agreements were negotiated in good faith with the assistance of the Board and association representation.

Home Instruction (p. 19)

Internal controls over home instruction have been strengthened and new forms and protocols have been designed and implemented beginning with the 2017-2018 school year. As for those individual instructors who submitted insufficient vouchers, the Essex County Prosecutor’s Office was informed of the audit findings and conducted interviews with members of the district faculty. On February 22, 2018, Walter Dirkin, Deputy Chief Assistant Prosecutor of the Official Corruption Unit, referred the matter back to the superintendent, Dr. Richard Tomko, for appropriate administrative action. Due to a continued internal investigation, several reprimands were cited for district employees and attempts are ongoing for remuneration to be returned to the Board by employees for mistakes made to submitted vouchers.

Pursuant to N.J.A.C. 6A:14-4.8(a) as cited, the spirit of the statute describes those individual students identified as special education who are required to attend home instruction as part of a change in placement to an already established program outlined in the student’s Individualized Education Program (IEP). Not all of the 34 special education students cited in the finding (p. 19) were placed on home instruction as a formal change of placement; rather, most of the home instruction hours were for short term medical reasons and disciplinary suspensions not related to the student’s disability.

Criminal History Background Checks (p. 20)

On January 19, 2017, Dr. Richard Tomko, Superintendent of Schools was advised that the Criminal History Review Unit of the New Jersey Department of Education would be conducting a fingerprint compliance audit of the Belleville Public Schools District. Over the next several months, the district Human Resources department and central office administration worked closely with Special Investigator Richard Lucherini to ensure that all employees in district had the appropriate archived or updated fingerprints in compliance with N.J.S.A. 18A:6-7.1. On August 2, 2017, the district received correspondence from Investigator Lucherini that “the Belleville Public School District audit is complete.” The information contained in this current audit report contradicts the 7 months of work that was accomplished through the joint efforts of the New Jersey Department of Education Criminal Investigation Unit and the Belleville Public Schools District. Further, as was provided to the auditors, the 3 individual employees in question as cited on page 20 of the audit document as not having “a background check for any school district” have “carbon receipts” for background checks in their personnel files from when they were hired by the Belleville Public Schools in 1992, 1999, and 2002, respectively. Regardless, Human Resources department protocols and standard operating procedures have been streamlined to ensure that no employee is permitted to begin work in district without an authorization from the Criminal Investigation Unit.

Health Benefits (p. 20)

The district has created enhanced protocols, a standard for checks and balances, and improved standard operating procedures to ensure the timely removal of terminated employees from benefit plans and document all changes to health benefits with regard to plans and individual employees. Further, realignment of both staffing and job duties in the Business and Human Resources Departments has occurred.

Student Field Trips (p. 22)

The district has since added a Student Activities Coordinator position to organize and document all receipts from student activities and advisors. Additionally, Dr. Richard Tomko, Superintendent of Schools has established protocols for approving school field trips and professional development activities to ensure that each is appropriate, educationally sound, and beneficial to the school community. All field trips receive approval from the Board of Education prior to the date of the trip.