

Behind the Scenes

Your district's buildings and grounds staff are vital to the success of your school. Oversight is needed to avoid fraud and waste in an often-overlooked department

It's a late April evening, and a freak snowstorm is barreling toward a school district in the Northeast. The storm is expected to dump 20 inches of snow by early morning. Earlier in the month, plows were removed from district trucks, and they are now loaded with spring planting supplies. The district's allowance for snow days has run out. If at all possible, the superintendent wants to open school as usual.

The custodial staff spring into action. They unload the garden supplies, fill the spreaders with salt, and refit the trucks with plows. As the first flakes begin to accumulate, all is ready. By 6:30 a.m. the next day, the storm has moved on and the driveways and parking lots are clear. The district is open for business on time.

Board members understand that educating children is vital to our communi-

ties and our country. Success in the classroom depends on many factors. One often-overlooked element is the district's buildings and grounds department. These diligent employees usually work behind the scenes and after school hours. However, without a reliable custodian and maintenance staff, our schools would grind to a halt.

Low profile, important work

These employees have diverse responsibilities. Indoors they clean classrooms, monitor air quality, wax floors, unblock toilets, remove graffiti, repair boilers, eliminate mold, and control the heating and cooling plants in district buildings. In addition, they make repairs, polish floors, and paint classrooms during school breaks.

Outdoor custodians plow snow, mow

lawns, provide playground upkeep, maintain sports fields, and tend to plantings. In larger districts, maintenance staff may include specialists that possess specific licenses or certificates for plumbing, carpentry, electrical, heating and ventilation, and perhaps even asbestos removal.

Furthermore, in order to minimize costs, many districts use maintenance staffers to drive school buses, deliver board packets, and set up meeting rooms for community groups and board meetings. These employees play a critical role in creating a safe, efficient, and comfortable learning environment for teachers, students, and the community.

When things go wrong

Because custodial employees are not usually in the public eye, board members may place less emphasis on maintenance operations oversight. The board is required to keep the budget process on track while focusing on state and federal achievement mandates. It's understandable that discussions concerning academic achievement and teacher contracts may seem more compelling than what is happening in the maintenance department.

As a result, board members and administrators may tend to ignore this low-profile department until something out of the ordinary happens. And although it is true that most custodial workers are dependable and loyal, there are some notable exceptions.

For example, in December 2011, the California Fiscal Crisis & Management Assistance Team investigated the maintenance and operations department at the Bakersfield City School District and identified the inappropriate use of district equipment. Questionable practices were reported to have gone on for more than 20 years.

Although board policy forbade employees from borrowing district equip-



ment for personal use, the department handbook allowed the practice. Various trucks, lawn mowers, and other equipment were used for personal projects. When employees returned damaged equipment, they did not pay for repairs. Employees also used surplus district materials to make home repairs. In addition, they used district equipment and supplies to change the oil in their cars.

Recycling district equipment and materials was another area of concern. Materials were loaded onto district vehicles weekly and delivered to recycling operators. Unfortunately the material was handed over without the competitive bidding required by district policy. The recycled materials included tractors, copper, and a forklift. Such items usually have some residual value and are typically auctioned to the public.

In addition, the maintenance employees were paid overtime for Saturday recycling deliveries and received cash payments for the material. A review of three years of receipts indicated the recycle company paid \$62,000 in cash to the district employees. Investigators were unable to account for \$34,156 of those payments and speculated that more than \$85,000 was misappropriated over a longer period. However, they were unable to subpoena older records that may have documented additional losses.

Meanwhile, on the East Coast, another maintenance scandal was brewing. In June 2011, four former New York City School custodians were arrested for allegedly stealing \$500,000 from the city by creating no-show jobs and doing maintenance work on privately owned properties.

A no-show job is a form of political or corporate corruption where an employment position with a job description is created. The expectation is that the person hired for that position will not fulfill the responsibilities or even show up for work.

One of the accused employees owned 10 houses worth \$5.8 million. He used school accounts to purchase materials

and pay school maintenance employees to make repairs on the homes. They constructed new bathrooms, kitchens, walls, and ceilings on weekends.

By reviewing toll records and actually following one of the accused, investigators were able to document the more than 550 paid work days when that employee was not at his district post.

Protect your district

Without effective oversight of internal controls related to the maintenance area, your district also could be exposed to a substantial loss of assets and reputation. In tough economic times, chances are that individuals will bend rules in an effort to save personal expenses. Board members must develop policies and support administrators in their efforts to establish robust internal controls that ensure district assets are protected. A number of concerns must be monitored.

For example, as districts adjust to a changing economy, some will close schools while others build new facilities. During transitions, it is especially important to determine if your district has the optimum number of maintenance employees. Use industry standards to determine the number of cleaners required to maintain a specific number of classrooms and offices. Inquire whether your administrators have recently reviewed staffing levels.

Hours worked is another area to monitor for potential fraud. Ask administrators about checking time clock procedures. Typical payroll fraud schemes include unlocking and tampering with time clocks. In addition, some employees may agree to time stamp one another's time cards to cover up unauthorized absences. Perhaps more egregious, some managers sign off on bogus overtime reports in exchange for a portion of the increased pay.

In addition to monitoring time worked, determine the procedures used to regulate the disposal of surplus equipment and supplies. Inquire about how these procedures are evaluated. Ask

about how maintenance personnel determine the value of surplus items before they are sold. Some districts conduct garage sales or auctions to allow community members an opportunity to bid on surplus items before they are sent to a dump or recycling center. Many districts comply with bidding regulations by using online auction services to sell obsolete equipment while maximizing income.

Administrators can protect district assets with an up-to-date inventory that tracks where district maintenance equipment and supplies are stored. A regularly tested inventory can determine if equipment is in good working order or should be declared obsolete. It is also useful to determine how items are removed from the inventory records.

Finally, employees, as well as members of the community, can be mobilized to assist in protecting district assets. Because 40 percent of frauds are detected through tips, establishing an anonymous fraud reporting hot line is one of the most effective ways to both discourage and uncover illegal activity.

As a board member, it is critical that you perform your oversight responsibilities of all district operations diligently. Remember, too, that administrators are responsible for implementing internal controls.

The maintenance function is often taken for granted because most employees operate effectively and honestly behind the scenes. However, in order to ensure a safe classroom environment and the wise use of district resources, you want to be certain that "out of sight" does not mean "out of control." With effective oversight procedures in place, it will be less likely that your board will have to clean up a mess caused by a lack of vigilance. ■

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