

In response to recent inquiries made regarding a former employee of Greater Lowell Technical High School tied to an incident involving unaccounted funds to be included in a report to the Greater Lowell School Committee per a motion made at the January 12, 2012 school committee meeting by committee member Erik Gitschier. I submit the following information for clarification.

In January 2011, after accounting concerns were raised by the school's Business Administrator, a decision was made to conduct an internal audit of six revolving accounts, one account at a time. The process was lengthy and time consuming, lasting nearly six months. Throughout the process the Assistant Superintendent/Principal was periodically updated by the Business Administrator. Upon completion of each individual audit, procedural changes were implemented to improve the reporting process.

In June 2011, the Business Administrator completed the entire audit and prepared his report for the Assistant Superintendent/Principal. The Business Administrator determined that out of review of six audits, three had no discrepancies and three had discrepancies totaling approximately \$3,000.00 in unaccounted funds. Once again, in all areas where discrepancies were discovered, procedural changes were implemented.

In July 2011, the Assistant Superintendent/Principal received the report and began the investigation. The Assistant Superintendent/Principal and Business Administrator informed the Superintendent-Director of the intent to initiate an investigation. The Assistant Superintendent/Principal interviewed five staff members during the investigation. After conducting the investigation, the Assistant Superintendent/Principal determined that it was clear monies were not handled properly. He discovered for example that, money was not secured, money was not deposited in a timely manner, and that many had access to the unsecured office where money was held. His final determination was that the unaccounted funds resulted from a lack of following proper procedures and the oversight and management of the funds in question. In addition, he determined there was no direct evidence of any one person responsible for the unaccounted funds. Employee A acknowledged responsibility for lax reporting procedures in a meeting conducted by the Assistant Superintendent/Principal, on August 11, 2011, in the presence of George Garabedian, a school administrator, and a representative from the Massachusetts Teachers Association.

On August 18, 2011 Mr. Garabedian notified the Assistant Superintendent/Principal that Employee A submitted a letter and a bank check in the amount necessary to make the account whole.

On August 19, 2011, a meeting took place which included the Assistant Superintendent/Principal, Employee A, MTA legal counsel, an MTA representative, and school district legal counsel. When Employee A was confronted with the results of the investigation, Employee A offered her letter of resignation in lieu of termination proceedings.

On August 23, 2011 a letter was sent to the Assistant Superintendent/Principal by Employee A requesting that her resignation be accepted. The Assistant Superintendent/Principal accepted the letter of resignation in lieu of pursuing termination proceedings.

The additional two incidences referenced at the January 12, 2012 school committee meeting will be included in the report to the committee at the February school committee meeting. One incident involved a staff member (Employee B) handling student activities who did not follow established procedure for timely deposits. In reconciling the account in question, approximately a \$600.00 discrepancy was discovered. After self-disclosing the matter to the Superintendent-Director, the Superintendent-Director conducted an investigation. The Superintendent-Director determined there was no criminal intent on the part of the employee. The account was made whole, disciplinary action was taken, and procedures were changed to exclude the acceptance of cash in this activity fund going forward. The last incident (Employee C) referenced occurred over a three-year period for the years of 2008, 2009, and 2010. In all three years the incidents involved issuing funds for an annual scholarship event for the purchase of supplies. Following the event the individual submitted an accounting of the expended funds, with the balance due to be returned to district scholarship account. In each year, unspent funds were not returned in an expeditious time frame, but were eventually made whole. The amount in question totals \$1,800 over the three-year period. In the third year, the employee was investigated by the former Superintendent-Director and was appropriately disciplined. The procedure was revised going forward.

Chronology of events regarding the six revolving accounts:

Fall 2010

Communications took place between Business Office personnel and Employee A regarding timely reporting of deposits in relation to the six revolving accounts Employee A oversaw.

December 2010

Business Administrator George Garabedian began to review the concerns expressed by Business Office personnel regarding Employee A's failure of following appropriate procedures for managing six revolving accounts.

January 2011

Business Administrator George Garabedian contacted the Assistant Superintendent/Principal and informed him of the need for an internal audit of the six revolving accounts, one account at a time. Mr. Garabedian made the decision to contact the Assistant Superintendent/Principal due to the nature of the audit and personnel involved. He contacted the department heads involved with the accounts and informed them of the upcoming internal audit. Throughout the audit, department heads were interviewed on procedures and updated throughout the process.

The results of the audits of the six programs follow.

January 2011

Audit A – no discrepancies in funds. Findings did prompt immediate procedural changes to ensure deposits are made in a more timely manner.

Audit B – discrepancy of funds in the amount of approximately \$1,100.00. Immediate action included procedural changes. Since implementation of changes, close monitoring of account shows no further discrepancies with the account.

February 2011

Audit C – encompasses four separate programs. Audits began in February 2011 and completed in June 2011.

C1 Audit – no findings

C2 Audit – no findings

C3 Audit – approximately \$1,000.00 in unaccounted funds

C4 Audit – approximately \$900.00 in unaccounted funds

In the cases of audits C3 and C4, procedural changes were implemented. As in the case of Audit B, continuous monitoring of the accounts shows no concerns.

April 2011

Mr. Garabedian met with the department head in charge of the programs relative to Audits A and B to review the implemented procedural changes. Mr. Garabedian was satisfied that the changes were effective.

May 2011

Mr. Garabedian met with Employee A, a department head, and a Business Office personnel member to discuss and clarify documents and procedures for programs within Audit C. The purpose was to determine if any outstanding or additional documentation could be provided.

July 2011

Employee A was given a summary of the audit findings by Mr. Garabedian.

July 20, 2011

Mr. Garabedian notified the Assistant Superintendent/Principal of the completed audit and reviewed the report

Superintendent Director notified.

July 27, 2011

Investigation is initiated by the Assistant Superintendent/Principal. A total of five staff members were interviewed throughout the investigative process.

August 2, 2011

The Assistant Superintendent/Principal conducted an interview with George Garabedian and a school administrator.

August 11, 2011

Interview conducted by Assistant Superintendent/Principal including George Garabedian, a school administrator, a representative from the Massachusetts Teachers Association (MTA), and

Employee A. Employee A acknowledged responsibility for lax reporting procedures. She also indicated several issues regarding security including, but not limited to, an improperly functioning lock on the cash box. Upon completion of the investigation, the Assistant Superintendent/Principal made the determination that the unaccounted funds resulted from a lack of following proper procedures in the oversight and of management of the funds in question. In addition, he determined there was no direct evidence of any one person responsible for the unaccounted funds.

August 18, 2011

Mr. Garabedian notified the Assistant Superintendent/Principal that Employee A submitted a letter and a bank check in the amount necessary to make the accounts whole.

August 19, 2011

A meeting took place which included the Assistant Superintendent/Principal, Employee A, MTA legal counsel, an MTA representative, and school district legal counsel. When Employee A was confronted with the results of the investigation Employee A offered her resignation in lieu of facing termination proceedings.

August 23, 2011

A letter was sent via email to the Assistant Superintendent/Principal requesting that her letter of resignation be accepted. The Assistant Superintendent/Principal accepted her letter of resignation in lieu of pursuing termination proceedings.

Respectfully Submitted by
Superintendent-Director
Mary Jo Santoro
1/17/2012