



State of New Jersey

DEPARTMENT OF EDUCATION

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Lt. Governor

LAMONT O. REPOLLET, ED.D.
Commissioner

March 12, 2019

Ms. Delia Ware-Tibbs, Board President
Roselle Public Schools
710 Locust Street
Roselle, NJ 07203

Dear Ms. Delia Ware-Tibbs:

SUBJECT: Roselle Public Schools - Business Practices Review
OFAC Case #INV-006-18

The New Jersey Department of Education, Office of Fiscal Accountability and Compliance (OFAC), conducted an investigation of the business practices at the Roselle Public Schools (District). The investigation was initiated upon receipt of a letter to the OFAC from the general counsel for the District Board of Education (Board).

The OFAC's review revealed bidding and purchasing procedures that were noncompliant with the New Jersey Public School Contracts Law, N.J.S.A. 18A:18A-1 et seq. and the New Jersey Administrative Code N.J.A.C. 6A:23A-1.1 et seq. The findings are detailed in the attached report. Please provide a copy to each board member.

Utilizing the process outlined in the attached "Procedures for LEA/Agency Response, Corrective Action Plan and Appeal Process," pursuant to N.J.A.C. 6A:23A-5.6, the district board of education shall discuss the findings of the investigation at a public meeting of the district board of education no later than 30 days after receipt of the findings. Within 30 days of the public meeting, the district board of education shall adopt a resolution certifying the findings were discussed in a public board meeting and approving a corrective action plan (CAP) to address the issues raised in the findings and/or submit an appeal of any findings in dispute. A copy of the resolution and the approved CAP and/or appeal shall be submitted to the OFAC within 10 days of adoption by the district board of education. Direct your response to my attention.

Also, pursuant to N.J.A.C. 6A:23A-5.6(c), the findings of the OFAC investigation and the district board of education's CAP shall be posted on the school district's website. Should you have any questions, please contact Thomas C. Martin, Manager, Investigations Unit, at (609) 376-3606, thomas.martin@doe.nj.gov.

Sincerely,

Christine A. Soto, Executive Legal Affairs Officer
Acting Director, Office of Fiscal Accountability and Compliance

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Attachment

c: Kellie LeDet James Baker
Robert Bumpus Michael Yaple
Abdulsaleem Hasan Christopher Huber
Daryl Palmieri Kimberly Gatti

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STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
OFFICE OF FISCAL ACCOUNTABILITY AND COMPLIANCE
INVESTIGATIONS UNIT

ROSELLE PUBLIC SCHOOLS
BUSINESS PRACTICES REVIEW
OFAC CASE #INV-006-18

REPORT OF EXAMINATION
MARCH 2019

ROSELLE PUBLIC SCHOOLS BUSINESS PRACTICES REVIEW

INVESTIGATIVE SUMMARY

The New Jersey Department of Education, Office of Fiscal Accountability and Compliance (OFAC), conducted an investigation of the business practices at the Roselle Public Schools (District) upon receipt of a letter from Allan C. Roth, general counsel for the District Board of Education (Board).

The letter from Mr. Roth briefly set forth that in January 2018, the District's Superintendent of Schools, Richard Corbett (Superintendent Corbett), placed the District's business administrator Jason Jones (BA)¹ on administrative leave, as well as the BA's executive secretary. This action was based in part on Superintendent Corbett's review of various business documents and records that revealed, among other things, vendors working for the District without bids or contracts. An independent accounting firm was hired and conducted an audit of the District's business office. The Board also directed Mr. Roth to contact the OFAC and request an investigation of the business office's practices.

The OFAC investigation included the search, review and analysis of documents related to purchases made by the District. During the course of this investigation, the investigator noted the omission of documents required under N.J.S.A. 18A:18A-1 et. seq. The investigation also revealed purchases that did not comply with the applicable bid thresholds and procedures set forth in N.J.S.A. 18A:18A-3, N.J.S.A. 18A:18A-4, N.J.S.A. 18A:18A-37c, and N.J.S.A. 18A:39-3.

In addition, the investigation included interviews with employees of the District, the former superintendent and non-District persons.

The focus of the OFAC's investigation was:

1. Four-year lease-purchase of two Ford 150 trucks without bid;
2. Hiring of landscaping services and irrigation (sprinkler system) installation by vendor without bid or contract;
3. Hiring of busing vendor(s) without bids or contracts;
4. Purchase at auction of used vehicles as "Replacement Vehicles" without bid;

¹ Jason Jones was approved as the District's BA on July 1, 2017. The BA was contacted by telephone regarding an OFAC request to interview him. He agreed to be interviewed. Initially, the interview was to take place at the Monmouth County Office of Education. Confirmation of the proposed interview date and location was not received. Additional proposed dates were sent to the BA in an e-mail that also requested that the rescheduled interview take place at the OFAC office. No response was received. The manager of OFAC Investigations then sent a letter to the BA advising that the BA's input was requested, otherwise investigative findings would be based on information collected without the benefit of the BA's input. This letter was sent as an e-mail attachment. It was also sent by USPS certified mail, return receipt requested to two different addresses in Monmouth County. One certified letter was returned. The other letter, however, was not returned and the return receipt was signed, evidencing delivery. On February 5, 2019, another e-mail was sent to the BA inviting him to an interview at the OFAC to provide his input, if he so chose. There was no reply.

5. Use of District vehicle by Jason Jones, BA.

FINDINGS

1. Lease-purchase of two Ford F-150 trucks in the amount of \$86,647.00

In October 2017, the BA entered into a lease-purchase agreement for two trucks, a 2016 Ford F-150 and a 2018 Ford F-150. The total cost of the lease-purchase for these two vehicles was \$86,647.50. The contract was signed on October 5, 2017, and the vehicles were received on October 18, 2017. The purchase was from an Ocean County dealership.

A review of the records revealed that this purchase was made without a Request For Proposal or competitive contracting.

N.J.S.A. 18A:18A-4 Contracts and agreements requiring advertising sets forth in relevant part:

- a. "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor . . ."

At the time of this purchase, the BA was not a qualified purchasing agent (QPA); therefore, the applicable threshold amount was \$29,000.00 pursuant to the provisions of N.J.S.A. 18A:18A-3. In addition, the threshold amount applicable with a QPA is \$40,000.00. The \$86,647.50 purchase exceeded both threshold amounts.

As a result of the interviews and records reviewed, the investigator determined noncompliance with the above-cited statutory provisions.

2. Hiring of landscaping and irrigation (sprinkler system) vendor without bid or contract

A review of the business records revealed that the above services were obtained from a vendor without the BA utilizing the bidding process. The vendor was Bob's Creative Lawn Care, LLC (BCLC) which operated out of Monmouth County, New Jersey. Moreover, the District did not provide a written contract regarding the rendering of those services. The total amount for services provided was \$70,067.60.

The amount of individual bills involved indicates that services were priced beneath the statutory threshold although the same manner of work, landscaping and irrigation and sprinkler system installation, was performed. N.J.S.A. 18A:18A-8 prohibits the division of contracts "for the purpose of dispensing with the requirement of public advertising and bidding therefor . . ."

N.J.S.A. 18A:18A-3 Purchases, contracts and agreements not requiring advertising provides in relevant part:

“When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefor . . .”

The aggregate amount expended exceeded \$17,500.00, and an advertisement for bids was not found.

The BA did not adhere to the provisions of N.J.S.A. 18A:18-4 and N.J.S.A. 18A:18A-8; failed to obtain a written contract; and the investigator’s record review failed to reveal any Board resolution authorizing the hiring of this vendor.

The investigator’s attempts to contact the vendor for an interview were unsuccessful. The letters to BCLC were sent by certified mail with return receipt requested to four different addresses in or about the Neptune and Asbury Park, New Jersey areas. The letters requested that BCLC contact the OFAC to discuss the services provided to the District during the summer and autumn of 2017. The letters were all returned to the OFAC for various reasons, indicating they could not be delivered or forwarded. A phone message to BCLC was never returned.

3. Hiring of busing vendor(s) without bids or contracts

The OFAC investigation found that in mid-August 2017, the BA contacted Taraja Dennis, a co-owner of M&J and Alliance bus companies. According to Mr. Dennis those companies were asked by the BA:

“to give quotes on field and athletic trips because the District did not have a bus contract or vendors in place.”

Mr. Dennis further advised that “Sometime in late October/November [2017], we were informed that the athletic trips for the winter would be going out to bid, that never happened but the Athletic Director and individual schools continued to reach out to us for continued transportation service. So M&J and Alliance provided that service without ever having a Contract.”

The absence of a busing contract puts the District at considerable risk by failing, for example, to delineate and allocate:

- Cost and clarification of the services to be delivered;
- The contracting party’s areas of responsibilities, such as liability/passenger medical coverage under a commercial carrier insurance policy to protect the interest of the students;
- Indemnification/hold harmless provisions to protect the District.

In short, the lack of a contract exposed the District to potential legal and financial risks.

N.J.S.A 18A: 39-3 Advertising for bids to transport pupils sets forth in relevant part:

- a. "No contract for the transportation of pupils to and from school shall be made, when the amount to be paid during the school year for such transportation shall exceed \$7,500.00 or the amount determined pursuant to subsection b. of this section, and have the approval of the executive county superintendent of schools, unless the board of education making such contract shall have first publicly advertised for bids . . . and shall have awarded the contract to the lowest responsible bidder."

In conclusion, the OFAC investigator determined the District was noncompliant with the provisions of N.J.S.A 18A:39-3a.

4. Purchase at auction of used vehicles as "Replacement Vehicles" without bid

According to documents obtained by the investigator, five motor vehicles were purchased on September 20, 2017, at a public auction: MSN Services LLC-A.J. Willner Auctions. The purchase order document (No. 181179) described the vehicles as "Replacement Vehicles." After the purchase the vehicle titles were transferred from the United States Marshals Service to the "Roselle Board of Education." The vehicles and purchase prices were as follows:

| <u>Year</u> | <u>Make</u> | <u>Model</u> | <u>Mileage</u> | <u>Price</u> |
|-------------|-------------|--------------|-----------------|--------------|
| 2010 | Chevrolet | Traverse | 109,197 | \$6,250.00 |
| 2010 | Chevrolet | Impala | 129,547 | \$3,000.00 |
| 2009 | Ford | Edge | 167,393 | \$5,000.00 |
| 2008 | Dodge | Caravan | 76,353 | \$3,600.00 |
| 2004 | Ford | F-150 | Non-operational | \$3,300.00 |

Purchase order No. 181179 was dated September 1, 2017, and set forth a "Unit Price" of \$50,000.00 and a "Total Amount" of \$50,000.00.

The OFAC investigation revealed there was not a Board resolution authorizing the expenditure up to \$50,000.00 for the purchase of used vehicles at an auction.

A check copy, No. 53389, in the amount of \$21,150.00, dated September 20, 2017, was provided. This represents the total amount for the used vehicles.

Finally, it was noted that in addition to the absence of a Board resolution, two of the above purchases (\$6,250.00 and \$5,000.00) exceeded the BA's 15 percent of the bid threshold set forth in N.J.S.A. 18A:18A-37c (15 percent of \$29,000.00 equals \$4,350.00).

5. Use of District vehicle by Jason Jones, BA

On or about January 30, 2018, the BA was relieved of his duties by Superintendent Corbett.

During the interview with the District's Director of Facilities, Kelvin White, he conveyed that sometime in January 2018 he was asked by the BA to "do him a favor." The BA asked Mr. White to ride with him in the BA's personal vehicle to the BA's home in Neptune, New Jersey, to pick up the District's 2018 F-150 truck.² The ride there took place sometime before noon.

Mr. White related that upon arrival, the BA removed papers from the District's 2018 F-150 truck parked in the driveway and took them into the garage. Subsequently, the BA handed Mr. White the keys to the District's truck. The BA then returned to the District, driving his own personal vehicle, and Mr. White also returned driving the District's truck.

In response to the following question from the OFAC investigator to Superintendent Corbett, "Were you aware if Mr. Jones used any District vehicles to commute from his residence to the District?" he responded in writing, "After he was suspended, based on the conversations with Mr. White, I suspected Mr. Jones used a vehicle to commute from his home to the District."

It should be noted that the District received notice of E-ZPass violations involving the District's 2018 Ford F-150 truck and 2016 Ford F-150 truck.

The violations occurred on the Garden State Parkway (GSP) at the Asbury Park Toll Plaza northbound at 7:17 a.m., on October 31, 2017 and November 1, 2017, at 7:00 a.m. The Asbury Park Toll Plaza is located in Monmouth County.

Additional, violations occurred in the southbound direction of the GSP at the Raritan South Toll Plaza at 2:51 p.m. on October 31, 2017, and at 11:01 p.m. on November 20, 2017. The Raritan South Toll Plaza is located in Middlesex County.

District Policy 7650 prohibits the use of District vehicles for the primary purpose of commuting. Specifically, the policy states:

"The vehicles may be assigned either to individuals or to units within the school district for pool use according to classifications as outlined in N.J.A.C. 6A:23A-6.12(b). No individual assignment shall be made for the primary purpose of commuting."

The policy further requires vehicle use logs:

"Vehicle use logs shall be maintained for all individual and pool assignments in order to accurately record all usage of each vehicle, including the driver, mileage, and starting and destination points." The policy also states that: "All changes to vehicle assignment, whether pool or individual, shall require prior written approval of the Superintendent and the authorization of an affirmative majority vote of the full Board."

² Mr. White could not recall the exact date except that it was in January 2018.

Finally, "A school district vehicle shall only be used for business purposes and incidental and reasonable personal use of a school vehicle is prohibited without the approval of the Superintendent and the authorization of an affirmative majority vote of the full Board."

The OFAC investigation did not find any record of such assignment, prior written approval of the Superintendent or authorization by the Board. Furthermore, the BA's employment contract does not provide for individual assignment of a District vehicle.

RECOMMENDATION

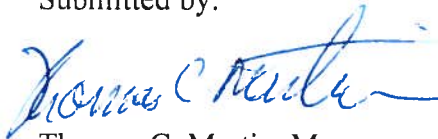
The District must develop and submit a corrective action plan to the OFAC that will identify the procedures the District will implement or has implemented to ensure future compliance with the provisions of N.J.S.A. 18A:18A-3; N.J.S.A. 18A:18A-4; N.J.S.A. 18A:18A-8; N.J.S.A. 18A:39-3a; and N.J.S.A. 18A:18A-37c.

REFERRAL

This matter will be referred to the State Board of Examiners for further review and to take whatever action it deems appropriate with respect to the actions and/or inactions of the District's BA, Jason Jones, as set forth above.

Submitted by:

Approved by:



Thomas C. Martin, Manager
Investigations Unit



Christine A. Soto, Executive Legal Affairs Officer
Acting Director, Office of Fiscal Accountability and Compliance

Investigator:

Timothy G. Boney