

## **Baker County residents use public records against local corruption**

By Chris Collins of the *Baker City Herald*

*EDITOR'S NOTE: The citizens of Union and Baker counties used Oregon's Public Records Law to investigate misuse of public funds by school officials, leading to the dismissal of some employees and the start of federal and state criminal investigations.*

BAKER CITY, Ore. (AP) — Lyle Mann and Toby Koehn told school officials in Baker and Union counties that they were driving nearly 100,000 miles per year in their visits to alternative school sites served by the educational district.

Wouldn't it be easier to fly? The two employees convinced the Union-Baker Educational Services District Board that they could be more effective if they used their pilots' licenses flying a district-owned airplane to the 22 Oregon counties they visited.

In the fall of 2003, the board agreed to spend more than \$1,500 per month in a five-year plan to lease, and eventually buy, an airplane for that purpose.

Newspaper reports of the decision drew public criticism, and a group of Union and Baker county residents formed a committee they called Education/Work Force Development Committee.

The citizens' group began asking questions about the educational service district, often clashing with board members or administrators at public meetings.

And they began requesting documents from its administrators under Oregon's Public Records Law to document their allegations of fraud and mismanagement. As a result, Mann, Koehn and other district administrators left their posts, three board members were recalled, and a fourth resigned.

The Federal Bureau of Investigation and the Oregon State Police both have launched probes of the alleged fraud, and officials at the Oregon Department of Education may consolidate the Union-Baker Educational Services District with another in the region or eliminate it entirely.

"If they'd have come clean right away and sold the airplane, we probably would have gone away," said Dennis Wilkinson, a leader in the 40-member citizens' group.

Instead, board members and administrators defended the purchase as fiscally responsible. That motivated Wilkinson to study the district's budget line by line, every night for two weeks.

He found what he thought were unusually high administrative costs, exorbitant travel budgets and questionable transfers of federal funds.

The educational service district, one of 20 in Oregon, provides services that individual districts either can't provide or prefer to outsource, such as teaching high-need and disabled students or handling computer networks and doing bulk purchasing.

Dan Van Thiel, a Baker City attorney who has worked with many government agencies over the course of his 40-year career, recalled a meeting at his office in which he reviewed a stack of documents collected by the committee.

The group had compiled copies of payroll records detailing payment for overtime and vacation days not authorized by employee contracts. They also found receipts that showed employees using district credit cards for personal purchases and receiving payment for travel and other expenses without proper documentation.

"It's like a string hanging out of the sleeve of a sweater," Van Thiel said. "As you pull on it, the whole sleeve falls off."

In the spring of 2004, the committee took its concerns and its documents to Union County District Attorney Martin Birnbaum. Based on the committee's information, he asked the Oregon State Police to investigate the Union-Baker Educational Service District. The investigation included an audit focused on areas of concern highlighted in the public records obtained by Wilkinson and others.

Auditors found "significant fraudulent reporting" to the state and individual school districts regarding the number of students attending the service district's alternative education programs at La Grande, Imbler, North Powder, Union, Cove and Harper school districts.

The district did not seek competitive bids for work on district-owned buildings, and in some cases hired unlicensed contractors, the auditors discovered.

The audit also found a lack of internal control over travel reimbursement requests and the use of district credit cards and cell phones, including evidence that some employees were claiming expenses for travel that never happened.

After conducting its own investigation, the state Department of Education pulled its contracts with the Union-Baker Educational Service District and turned them over to the Umatilla-Morrow Education Service District.

The loss of contracts has led to program cuts and staff reductions throughout the service district.

The criminal investigations still are underway. Wilkinson said he and other committee members were dedicated to exposing what they found in the public documents.

"We never had any doubts that there was fraud and corruption in this thing," he said. "We did have doubts of whether we'd ever succeed."

To document their allegations, committee members started by requesting public records a few pages at a time, Wilkinson said. At first there was no problem getting copies for a minimal fee.

"We made our requests in writing for specific documents," he said. "One document led to something else; the more we got the more questions we had. They were free with (providing information) at first."

But as the committee continued to attend board meetings and ask questions, then-district superintendent Ed Schumacher and the board became more resistant.

"First they would stonewall and not answer," Wilkinson said. "Then we'd go after them and they would say it was forthcoming."

"There were lots of document requests made that we never got an answer to," he said. Then the district began charging the committee not only a fee to produce copies of the documents requested, but also a charge for the time spent by employees and their supervisors to produce the copies.

At one point, the committee was billed more than \$1,300 for a document request. That charge included attorney fees for the time the district's legal adviser spent reviewing the request.

The attorney fees eventually were removed from the bill.

The committee paid the remaining \$400 charge about a month ago, Wilkinson said.

Van Thiel said he has seen other agencies use similar tactics to attempt to thwart Oregon's Public Records law.

"Public agencies make a mistake when they start doing that," he said. "This state requires a very, very high rate of exposure — what we do, we do out in the open. We let fresh air in."