

Attachment to LTR Secty Tomalis 013113

**HISTORY - DISCUSSION - ISSUES:**

*There is no “oversight” or “checks and balances” of the School Boards’ financial or organizational management issues throughout the Commonwealth, except for the public’s watchdogs or ombudsmen in each community, or until there is a mobilization of community action on issues of this nature and magnitude or there is a revelation of financial mismanagement, whistleblower action, public exposure of corruption by elected or appointed officials or a major catastrophic event in a school district.*

*Please be advised of the Former Auditor General, Jack Wagner’s report “A Special Investigation of the Millcreek Township School District, ‘School-Based Access Program’ Erie County” dated May 2012, is still active and ongoing relative to the monitoring of all financial management activities, in addition to separate litigation pending. The allegations, findings and recommendations were investigated by the Department’s Office of Special Investigations (OSI).*

*This litigation has a cost in the approximate amount of \$1.2 million dollars and behooves the Secretary to investigate and provide a transparent investigative report to the public taxpayers.*

**Copies of the above report were forwarded to the following offices:**

*United States Attorneys for the Middle & Western Districts PA  
PA Office of Attorney General  
U.S. Department of Health & Human Services  
U.S. Department of Education  
PA Department of Public Welfare  
PA Office of the Budget*

- ❖ *Issue # 1: The questionable past financial allocation and payment of the architect’s fees, renovation and updating of a residence known as the “Bundy House”, which is part of the Special Education Students Program for life skills.*

*The expenditure of \$24,000 for vinyl siding for the residential property located at 5791 Sterrettania Rd, 1784 Square Feet, Total Value / Taxable \$116,850, known as the “Bundy House”.*

*The bid contract for the renovation and additions in the amount of \$149,000 but actually amounted to \$182,891.00.*

*The expenditure of \$189,891.00 plus all change orders for a residence whose taxable value and assessment was \$116,850.00 is a fiscally irresponsible action which was not reviewed or assessed by the current Superintendent but there were some members of the present Board who voted for this project relative to the performance and execution of the architects in charge of the renovation and updating of said premises. "Hallgren Restifo Loop & Coughlin Architects (a.k.a. "Coughlin Group") are the present architects for the \$93 Million dollar construction project under consideration.*

*Architects fees based on the higher amount. The architectural firm is the same firm who is performing all functions, reviews, documents and responsibilities for the proposed construction in the MTSD submitted in September 2012. We question the veracity and verifiable expenses to this completed project as to the future expenses of the proposed construction project.*

*In view of the fact that the writer was only reviewing a small number of invoices, it was uncovered that duplicate payments of invoices were paid by the Budget Manager.*

*There were invoices which were not approved by the respective responsible and accountable individual but were paid by the MTSD's Business Manager.*

*All financial issues were under the guidance and reviews by the Solicitor Timothy Sennett, Knox McLaughlin Gornall & Sennett Law Firm, P.C.*

*The writer "was denied" meetings with the MTSD's Business Manager after requesting a meeting to discuss the financial issues and management of the District as it pertains to the expenditure of funds in the construction projects and other issues.*

*Apparently "transparency" is not a term the officials of the School District prefer. The denial was by written letter from Timothy Sennett, Knox McLaughlin Gornall & Sennett Law Firm, P.C. (All letters or documents will be available upon request by your office or the Board/Commission of Investigation)*

*The writer, in addition to many residents and taxpayers have asked Board members and the Superintendent, at Board meetings, many questions relative to issues of the \$93 Million dollar construction project with a sanctimonious reply by both Superintendent Golde and the Solicitor Sennett; "This is not a question and answer session".*

*This chicanery of both legal and financial issues must be addressed by all elected and appointed governmental officials in order to provide transparency to*

taxpayers who must know where their taxes are being expended in a fiscally responsible manner.

Is it the Solicitor to Chair the Board meetings or is the Solicitor there to advise and recommend? This issue has not been addressed by all parties of the District including the Solicitor. The public is under the impression that the responsibility of the Board to conduct the meetings is the Chair. Please advise if this is correct or incorrect according to Roberts' Rules of Order.

- ❖ **Issue#2: The questionable and problematic approval, by the School Board, of "free" rent, utilities and all expenses, by separate addendum contract of a District employee to reside in the Bundy House.**

There were two (2) contracts prepared in the execution of the terms of said contracts; the first dated October 24, 2011 between WJH & MTSD and the second dated July 23, 2012 between MTSD & WJH.

There are several discrepancies in the documents:

- Rent charge on one is different from the rent charge on another
- Superintendent Golde's signature is on one and not on the other
- Witness on one and not the other
- Signature questionable as to the President MTSB
- One contract identifies the Bundy House the other identifies Brown's Farm

In a letter to both the President MTSB and Superintendent Golde, the writer asked the following (excerpts) questions in which there were no replies by either the Superintendent, President of the Board or the Solicitor: (All letters or documents will be available upon request by your office or the Board/Commission of Investigation)

- "By what authority, please state the statute, law, PDE school code(s), or other stated official policy, granting the approval of the "free" rental of a residence to a school district employee with no expense(s) responsibilities or accountabilities of the particular residence owned by the school district"?
- "What are the legal implications and the accountabilities, of each Board member, if they approved an illegal contract based on the unwritten legal opinion of the solicitor relative to the financial management of the taxpayer funds?"
- Can you share with me and the taxpayers of Millcreek Township, if you have any knowledge that Mr. Sennett has interpreted, in his legal and professional opinion, as to the approval of such services and products from the School District's tax funds for employees?

- *This is based on my interpretation of the responsibilities of a “solicitor” as a consultant, advisor or counselor and not one who determines and approves policy of the School District.*
- *I did not find any “approved” School District policy, by the School Board, relative to the approval of goods and services to an appointed employee. If I am incorrect please provide guidance.*
- *Did the Superintendent, President and/or School Board Members initiate and draft the contract for the appointed employee of the District?*
- *If Mr. Sennett did exercise his professional and legal opinion, did he provide a written legal opinion, or you, Messrs. Palermo & Golde, in your official and professional capacities, ask for a written legal opinion from the legal services of the Pennsylvania Department of Education and the State Ethics Commission as to the interpretation(s)?*

➤ **Chapter 13. Opinions and Advices of Counsel:**

§13.1. *General provisions: (a) An advice or an opinion may be requested by a public official or public employee as to his own conduct or by the authorized representative of the person, his present employer, or appointing authority of the person through majority action of the appointing authority, if applicable..... etc....*

*In addition to the basic State Commission Powers and Duties:*

- *Rendering advisory opinions to present or former public officials and public employees, or their appointing authorities or employers, regarding such individuals' duties and responsibilities under the Ethics Act.*
- *Prescribing Statement of Financial Interests forms for filing; accepting and reviewing statements of persons required to file; and inspecting such statements to ascertain whether any reporting person has failed to file such statement or has filed a deficient statement.*
- *Accepting and filing information voluntarily supplied that exceeds the requirements of the law.*
- *Preserving statements and reports filed with the Commission for a period of five years, maintaining a master index of statements filed with the Commission, and making statements available for public inspection and copying.*

❖ **Issue#3: Submission of incomplete and/or insufficient architectural plans for an “Athletic Complex and Stadium”.**

*The MTSD/SB, under the direction of Superintendent Golde, and the firm “Coughlin Group” requested a variance, from the requirements of the IBC, to the Uniform Construction Code Appeals Board (UCC) on December 13, 2012 which was*

**“DENIED”**, by the Board. This is causing an unnecessary increase in the cost of the architects’ fees which is an increased cost to the School District and the taxpayers due to lack of planning and “due diligence” by both the School District/Board and the architectural firm. Documentation will be made available for the board/committee’s perusal.

The MTSD/SB, under the direction of Superintendent Golde, and the firm **“Coughlin Group”** requested a variance, from the Millcreek Township Zoning & Code Enforcement Board, of the parking spaces for the \$10 Million dollar **“Athletic Stadium Complex”** which also has been **“DENIED”** by the Board on January 30, 2013.

The Administration, under the direction of Superintendent Golde originally came forth with a \$71.9 Million dollar proposed "project cost". This has been documented. This estimate was **“deficient”** approximately \$25 Million dollars in soft costs. To have the School District, under the auspices of Superintendent Golde, with the **“apparent”** oversight of the School Board, generate an approximate 35% error of this magnitude calls into question the competencies, abilities and skills of the Superintendent, School Board and all officials in the School District in their professional capabilities to handle a project of this magnitude. The taxpayers are asking; “How many other errors of major consequence are in this project proposal and what are the financial ramifications of the many potential change orders to the project and those the taxpayers are not aware of at this time?”

❖ **Issue#4: Personnel of MTSD released highly confidential information, social security identification numbers, names and addresses, of third party contractors and sub-contractors, upon request through the Right-to-Know Law.**

This is a direct violation of the Law and reveals a lack of confidentiality of documents held by the MTSD. This action reveals a lack of leadership, non-conformance and violation to law, regulations and administrative responsibilities. The dysfunction of an organization can cause financial nightmares for taxpayers. What is the penalty to a governmental agency and their officials including the **RTK Solicitor, Timothy Wachter, Knox McLaughlin Gornall & Sennett Law Firm, P.C.**, releasing social security numbers of third parties? Can this event initiate litigation by those citizens against the School District and all parties? What would be the monetary penalties per disclosure?

*All RTK Request responses were prepared and approved by the RTK Attorney Timothy Wachter, Knox McLaughlin Gornall & Sennett Law Firm, P.C. for signature of the RTK Officer, MTSD for her signature.*

*I await your written response, separately, that of Attorney General Kathleen Kane or local District Attorney, Jack Daneri as how to process/handle the documents, as evidence provided to the writer, to keep the confidentiality of the individuals. All documents are presently secured in a safe place until such time that written directions are received by the appropriate legal office.*

**❖ Issue#5: Lack of building security and safety for the students and occupants of facilities in the MTSD.**

*Lack and deficient of a total current written assessment in the security and safety for the proposed construction project in addition to all building facilities in the School District.*

*Lack and deficient of responsibility, accountability and proper documentation in the administrative annual or periodic review of all policies and procedures encompassing the safety and security of all personnel and students within the School District.*

*A review, as published on the MTSD's web-site, of the MTSD's Policy #709 Section: - "Property" - Title - "Building Security" dated April 18, 1983 has not been reviewed by the current Superintendent Golde since his appointment in 2009 and is over 30 years old. This reveals a lack of responsibility and accountability which places all personnel and students in a dangerous setting for anyone to enter a building to execute a violent plan which can result in death and destruction. The lack of proper administrative policies and procedures results in the non-conformance of written documentation to record all changes in personnel, keys distributed to individuals and digital cards for entry into building (which has not been identified/addressed by the official SD policy as stated above).*

*A review, as published on the MTSD's web-site, of the MTSD's Policy #705 Section: - "Property" - Title - "Safety" dated April 18, 1983 has not been reviewed by the current Superintendent Golde since his appointment in 2009 and is over 30 years old. This reveals a lack of responsibility and accountability which places all personnel and students in a dangerous setting when anyone entering a*

*building planning to execute violent plans which can result in death and destruction. The same applications apply as stated above in "Building Security".*

*The above two (2) major deficiencies reveal a lack of concern, public trust and the life and property of both students and personnel in the facilities of the MTSD.*

*The "people" can provide evidence in which access into buildings is not secure and is vulnerable to those who would want to cause mayhem, destruction or death.*

- ❖ *Issue#6: Maintenance of building facilities were not maintained in a consistent and methodical manner causing the rapid deterioration of some facilities, in addition to the lack of inspections while construction projects were in various phases of completion. The PlanCon application, submitted in September 2012, has not been shared with the public at an "open forum" to answer any questions from the taxpayers relative to the conformance to the School Code and other regulatory issues.*

*The MTSD's past superintendents and the current Superintendent Golde have not fully maintained and repaired the school facilities in our district. This can be validated by a full investigation and inspection of the facilities with written documentation of the maintenance of said facilities. The maintenance and repair of all facilities is paramount to the taxpayers due to the fact that it is becoming financially shocking in the costs in new construction of facilities.*

*There were cost overruns for a school facility renovated in our school district in which there were no accountabilities and investigations reported to the public.*

*There was no consistency and continuity in the planning stages from 2007 to the present time due to changes in the office of the superintendent {past superintendent, interim and newly appointed (January 2009) superintendent} and senior management officials to direct and manage the present proposed project.*

*One of the Board members, Judy Wheaton's, husband, was an integral part of the processing of the proposed plans and we believe there is not only an appearance of a "conflict-of-interest" but a predisposition of complicity between members of the Board and the officials of the School District. This was apparently not reviewed by the solicitor.*

*The "genesis" of the proposed \$93 plus Million dollar project was a group of graduate students, we believe was steered by the Board's husband, from a local college/university, who projected his and their own philosophical educational curriculum approach to school administrators and the School Board to promote the*

*new construction resulting in the proposed foundation to provide a 21st-century curriculum education.*

*For the past year, taxpayers have asked what the foundation of the proposed construction project was as it relates to the 21st-century curriculum's educational aspects for the students. Again, the taxpayers were met with the pompous reply by both Superintendent Golde and the Solicitor Sennett; "This is not a question and answer session". Please obtain all School Board video tapes for validation of the public's questions and responses by all officials for the past 11 months.*

*There has not been any written participation from the "teachers" of the School District as to their professional opinion and teaching experience over the past 10-25 years in the proposals of implementing the 21<sup>st</sup> Century Educational philosophy or whether it will work or not. Again the public has asked questions with no responses.*

*This writer has asked, under the RTK Law's request, for copies of the "contract" with a specific architectural firm, "Coughlin Group", and has been denied the document or has been informed, by the representative RTK attorney preparing the document for the RTK Officer's signature that the document does not exist.*

*There has not been a written foundation to support the "curriculum" of the "new construction project" incorporating both the Intermediate and High School. This is appalling in view of the fact that there are classes in the School District where the students are utilizing 20 plus year old texts in class.*

*The above major discrepancy reveals a disregard for the students' educational curriculum to keep current and is a direct violation the School District's Policy # 108 - Adoption of Textbooks dated May 29, 2009.*

*The Board and the School District has violated their own policy Section: "Local Board Procedures", Title: "Authority and Powers", Dated August 25, 2008. Refer to Section 2 "Powers".*

- ❖ *Issue#7: Questionable financial management issues and actions relative to the debt bonds in the immediate past (2010) for repairs and renovations of facilities in the District and current issues.*

*There was a \$26.7 Million dollar loan (bond) obtained in 2010 for renovation(s) and /or construction which we, taxpayers, have not received an answer, in written format, validating what these funds were originally proposed to be used for or for what project. This can be considered a violation of the full*

*disclosure of public funds to the public and non-conformance to Pennsylvania law, but not limited to, 24 P.S. § 7-751(a) & 62; Pa. C.S.A. § 3911.*

*A feasibility and assessment study was contracted with one architectural firm "Coughlin Group" which we believe is not in conformance to the "bid" process in accordance to the Pennsylvania regulations and statutes. There was no "contract" between the School District and the architectural firm. There was only a Board meeting "document" that identified the passage of \$19,500 for the architectural firm passed by the School Board which did not identify or stipulate the specific services that were to be rendered and a time period for the contract.*

*There was a "flat" cost of \$10 Million dollars for a "new athletic stadium". This is a flagrant violation as to what is being proposed by the architectural firm "Coughlin Group" and what is actually being delivered. The stadium calls for seating of 4,500 or more when past years' experience have validated the maximum amount of participants were 1,800 – 2,000.*

*There were no public document(s) for the review, by taxpayers, of the completion of the "Government Unit Debt Act", better known simply as "The Debt Act," which puts a limit on how much a city or county can borrow based on its tax base. This is highly suspicious in view of the fact that our tax base was never identified by the Board at any of the meetings for the past 18 months.*

*In addition to the above discrepancies, Superintendent Golde, the School Board and Solicitor Tomothy Sennett, Knox McLaughlin Gornall & Sennett Law Firm, P.C. violated the School District's Policy # 608. Bank Accounts dated Adopted: February 21, 1983 Revised: November 22, 1999 to secure financial integrity of the taxpayer funds as delineated in the following statement; "The Board shall seek quotations every two (2) years for general fund commercial banking services and depositories shall be chosen in accordance with the designated list of banking services required for efficient operation of the bank accounts and Policy 609, Investment of District Funds".*

*There appears to be a direct "conflict-of-interest" by one former Board member, Gary J. Winschel, who was/is employed by PNC Bank during the previous months and years relative to the development of the proposed \$93 Million dollar construction project. Was the individual a conduit for the first (1<sup>st</sup>) bond issued in 2010 with PNC Bank, Bank officials and the financial attorney advisors of the Knox McLaughlin Gornall & Sennett Law Firm, P.C.?*

*All previous and current bonds issued and all financial matters of the School District have been executed by members of the Knox McLaughlin Gornall & Sennett Law Firm, P.C. and PNC Bank.*

Mr. Winschel resigned on December 5, 2011 after the foundation was prepared for the future construction project(s). The "Official Bond Statement" dated October 25, 2010, is available for inspection.

- ❖ **Issue#8: Questionable "conflict-of-interest" of the recently appointment of an individual to the School Board who has pending litigation in the School District, was and is currently part of the Former Auditor General, Jack Wagner's report "A Special Investigation of the Millcreek Township School District, 'School-Based Access Program' Erie County" dated May 2012 in addition to her personal litigation in the above pending case.**

The appointment of Rebecca Mancini, a former District employee, in December 2012 reveals not only an appearance of "conflict-of-interest" but, we believe, a direct violation of the "Ethics" policy and guidelines of the School Code and that of the Ethics Commission, Commonwealth of Pennsylvania.

There is no delineation of the local School District Board's policy relative to the appointment(s) of individual(s) who have pending or past litigation involving the School District in which the School District may or may have paid for legal fees incurred by an employee of the District. Again, the School District's Solicitor Timothy Sennett, Knox McLaughlin Gornall & Sennett Law Firm, P.C., we believe did not ask for a written legal opinion from the legal services of the Pennsylvania Department of Education and/or the State Ethics Commission as to the interpretation(s) of this possible 'conflict-of-interest' situation.

- ❖ **Issue#9: Incorrect reporting of the annual Audited Comprehensive Annual Financial Reports for the School District:**

Please refer to letter dated September 17, 2012 for a more comprehensive discussion on the reporting of financial reports.

**OUTSTANDING LONG-TERM DEBT**

**General Obligation Bonds & Notes**

•	<b>2009:</b> Change	2008	2009	% Total LT Debt	%
Page 17	\$ 54,391,710	\$ 49,483,661	87.6%	-9.0%	
<hr/>					
•	<b>2010:</b> Change	2009	2010	% Total LT Debt	%
Page 14	\$ 49,483,661	\$ 44,341,857	86.9%	-10.4%	

• <u>2011:</u> Change	2010	2011	% Total LT Debt	%
Page 14	\$ 44,341,857	\$ 65,816,409	87.9%	<b>1.0%</b>

**ERROR # 1: INCORRECT REPORTING OF LONG TERM DEBT**

The reflection of the 2009 and 2010 fiscal years, in the General Obligation and Bonds', percentage changes are correct.

The percentage change from 2010 to 2011 is **far** from correct. The correct percentage increase is approximately **+47%**. This is an increase that has not been identified (in the consolidated display) to the public and may have an impact on the future increases of the debt when the School District requests and the School Board approve increases. There was a description of the increase in the paragraph above the grid but was omitted in the grid.

**ERROR # 2: NON-REPORTING OF FINANCIAL CHANGES:**

For the compilation of the Total Long Term Debt, has there been a conscious effort not to report, in written form, the changes of the debt during the past 3 years.

• <u>2010:</u> Change	2009	2010	%
Total Long-Term Debt	\$ 56,457,420	\$50,999,851	?? <b>(-10%)</b>

  

• <u>2011:</u> Change	(page 14) 2010	2011	%
Total Long-Term Debt	\$50,999,852	\$74,842,548	?? <b>(+47%)</b>

The increase of approximately **+47%** from 2010 to 2011 FY reveals the increase in the long term debt due to approved bond of \$26,735,000.00 issued on October 25, 2010.

**SUMMATION:****General & Specific Issues Pertaining to School District & Board:**

In view of the fact there is still pending an investigation by the Auditor General's Office, as stated above, of which a litigation cost of approximately \$1.2 million dollars and still accumulating, it behooves the Secretary and any other governmental body to investigate and provide a transparent investigative report to the taxpayer public of Millcreek Township, Erie, PA.

*The writer personally wrote to the President Palermo, MTSB asking the following questions below which were not answered by either Superintendent Golde or past President Palermo but by the Administrative Assistant, Linda Sitter, RTK Officer under the direction, guidance and preparation of the RTK attorney/solicitor (RTK), Timothy. Wachter, Knox McLaughlin Gornall & Sennett Law Firm, P.C.*

*Apparently the elected / appointed officials including the solicitor of the MTSD/SB believe the following sample questions are "irrelevant" to the taxpayers since these questions were never answered? These questions were part of a correspondence to the MTSD/SB by the writer.*

- *Who are the financial advisors/consultants to the school board?*
- *If the Board approves the consolidation, is the amount of "reimbursement" guaranteed by the PDE?*
- *How will the school board "generate" revenue to pay the increased debt? This must be published so there is transparency of the proposed increase in taxpayer debt.*
- *Has the school board received a written "opinion" from the solicitor on the issue of legality and conformance to the financial issues and the options the school board is considering with the construction options?*

*In the above correspondences in June and July 2012 to the President, MTSB, there were a number of questions asked relative to the proposed project of renovation and/or consolidation of the facilities with financial issues pertaining to same. These letters and correspondences from and to the writer can be supplied upon request or at the investigator's review on-site.*

*The correspondences, from the RTK attorney, reveal a disdain for taxpayer/citizens asking questions about the financial arrangements and structure of the debt (loan) which the taxpayers will be paying. The comment from the RTK Officer, by way of solicitor, Timothy Wachter, Knox McLaughlin Gornall & Sennett Law Firm, P.C. is quite conceited, egotistical and sanctimonious; "Regarding your specific comments and questions, we will take them under advisement and, should the questions become such questions as are needed to be addressed..."*

*In another letter by the writer, dated July 12, 2012, requesting clarification of the "terms" and "statements", has been ignored and disregarded by the officials of the MTSB and MTSD's Administration. In addition, the mere facts there were questions being asked in the letter and "not" a RTK Request reveals a deflection, detraction and distraction in answering questions by the elected officials. All letters will be presented when requested.*

*During public meetings, in June and July, Superintendent, Michael Golde stated that he and the School Board had to submit statistics of the "PIMS", Pennsylvania Information Management System. When asked for the documents, through the Right-to-Know Request, I was informed that the School District does not have those documents.*

*If the Superintendent states, at a public meeting, that the document/stats were submitted to change the definition/status of two facilities into one, and then does not provide that document, we have an issue of either "deception or false statements" by a state employee.*

*During a meeting, July 19, 2012, there was a statement made by the architect, Chris Coughlin, "...that reimbursement would not be allowed due to the fact that the PDE considers the two facilities as one".*

*The public did not realize, at the time, the Superintendent specifically requested the change from two facilities into one. A letter from Superintendent Golde dated February 24, 2009 reveals that it was the Superintendent who initiated the change rather than the Pennsylvania Department of Education. This is deceptive and dishonest on the part of the Superintendent, Board Members and Solicitor Sennett.*

*The architect also stated the school district could not touch the second building for 20 years, if we did not consolidate the two facilities. This is another flagrant contradiction and inaccuracy of the "real" facts involved in the history of the actions by the school board over a period of 3-5 years.*

*We, taxpayers and residents, firmly believe that there is an irresponsible spending problem not a revenue problem in the School District and the Commonwealth and this is a perfect example of the waste and financial mismanagement in school districts of taxpayer funds.*

*As of June 30, 2012 fiscal year Commonwealth's revenue shortfall of approximately \$719 million it is fiscally irresponsible to spend \$93 plus Million dollars for a "new" building to replace (demolish) the present building which is both structurally and fundamentally sound. Renovations, updates and some expansion is needed not destruction.*

*Mr. Secretary, as you have stated in the spring of 2012, when asked about changes to PlanCon reimbursement you stated;*

- *"Our approval process is strictly a linear chronological check and the practice of the Commonwealth has been ...you start along that path and we will fund you regardless of the merit of the projects'." ..."the changes are a result of "so*

*many projects that have come into the queue in the five/six years that we need to balance that capital situation.”*

- *When asked how it will affect school districts that have received approval for projects, Secretary Tomalis stated, “for the school districts that have already received approval and the Commonwealth has committed its share of the bond payment, we will honor that commitment.”*
- *This is the result of the previous administrations lack of oversight, responsibility and accountability as to what projects are deemed necessary or was it wanted by a select group of architectural firms with relationships with the Rendell Administration.*
- *There must be a “Moratorium on school construction project requests” to determine whether these projects have merit or are the projects both architectural and academic “fads” that will disappear or fail in several years. This has been observed over the past 30-40 years. The basic fundamental education is not being promoted by the teachers’ union or the administrators of the public school system.*
- *There are limited resources and revenues in the Commonwealth and if “we” do not take a firm position to eliminate fraud, abuse and mismanagement in the construction of school facilities, the Commonwealth will continue to increase its debt which will fall squarely on the backs of taxpayers and the Corbett Administration.*

*In addition to the statements and situations stated above there is a significant lingering and over-riding issue of the past financial mismanagement of the MTSD by senior management officials including school board members who are supposedly the “watchdogs” and “oversight officials” for the taxpayers.*

*We believe there are serious violations and the past findings validated financial abuse and mismanagement in the MTSD.*

*Apparently past School Boards, District’s senior management official, including the solicitor did “not” follow the PDE Manual of Accounting Procedures and Policies causing violations in the financial management of the District funds resulting in taxpayers paying for the actions of irresponsible and unaccountable officials. These actions and decisions, by officials elected and appointed, must have oversight with checks and balances to be responsible and accountable to the taxpayers at the present and in the future.*

*Recent issues/events which may have a nexus to financial issues of the attorneys from the Knox McLaughlin Gornall & Sennett Law Firm, P.C., Attorney Timothy Wachter was the solicitor of the Erie County Republican Party (ECRC) and recently, in the immediate past, replaced. It is alleged there is a pending civil law suit relative to financial discrepancies and Campaign Finance Laws of the organization. It is also alleged there is a pending “forensic financial*

audit” of the financial management of the ECRC records. The Chair of the ECRC is Verel Salmon, former Superintendent Millcreek Township School District. Taxpayers are not sure of the legal representation of the **Knox McLaughlin Gornall & Sennett Law Firm, P.C.** to the other 17 school districts.

There have been financial issues and discrepancies in The Northwest Tri-County Intermediate Unit (IU5), which Dean C. Maynard, IU5 - Acting Executive Director, former Superintendent Millcreek Township School District. We believe the **Knox McLaughlin Gornall & Sennett Law Firm, P.C.** is the representative law firm with the latest discrepancies.

In a recent article in the Erie Times News, “Golde Getting Paid While on Leave” by Sean McCracken dated January 25, 2013, Attorney **Richard Perhacs, Knox McLaughlin Gornall & Sennett Law Firm, P.C.** stated; “I am confident that expenditure is perfectly lawful”. The questions taxpayers are asking; “What are the regulations and/or legal statutes/laws which sports the approval of the ‘personal administrative leave’ which taxpayers are paying” by Mr. Perhacs’ statement”, “If Mr. Perhacs was “confident” then why did he not stated the regulation(s) or laws delineating the actions taken?”.

In a recent distribution, by the Solicitor Timothy Sennett at the School Board Meeting of the “Independent Auditor’s Report” by the firm Felix & Gloekler, P.C. reveals major financial discrepancies in the School District. There is a statement in the paragraph on page 15 “Contacting the District’s Financial Management” which states; “If you have any questions about this report or need additional financial information, contact Linnea K. Lincoln, Business Manager, at Millcreek Township School District, 3740 West 26<sup>th</sup> Street, Erie, PA 16506”.

In correspondences, to Attorneys T. Sennett and T. Wachter, **Knox McLaughlin Gornall & Sennett Law Firm, P.C.**, during August and September 2012, by the writer, I was “**DENIED**” meeting with Linnea Lincoln after requesting to meet with her relative to the previous years’ financial audit and questions relative to the construction project and expenses of the Bundy House.

The taxpayer public would like to know; “Are there deceptive financial practices at the School District and disregarded by the law firm, **Knox McLaughlin Gornall & Sennett Law Firm, P.C.**? I will make all correspondences, letters and e-mails, available for inspection by the investigative committees, boards or the Inspector General’s Office.

There have been many questions by the taxpayers in Millcreek Township and in Erie County as to what is the “**common denominator**” of all the financial issues of many school districts and boards for many years?