

**LOS ANGELES UNIFIED SCHOOL DISTRICT**

**SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

**D. Michael Hamner, FAIA, Chair**  
American Institute of Architects  
**Robert Campbell, Vice-Chair**  
L.A. Co. Auditor-Controller's Office

**Dr. Samantha Rowles, Secretary**  
LAUSD Student Parent  
**Patrick MacFarlane, Executive Committee**  
Early Education Coalition  
**Scott Pansky, Executive Committee**  
L.A. Area Chamber of Commerce

**Joseph P. Buchman – Legal Counsel**  
Burke, Williams & Sorensen, LLP  
**Lori Raineri and Keith Weaver – Oversight Consultants**  
Government Financial Services Joint Powers Authority

**Neelura Bell**  
CA Charter School Association  
**Sandra Betts**  
CA Tax Reform Assn.  
**Chad Boggio**  
L.A. Co. Federation of Labor AFL-CIO  
**Aleigh Lewis**  
L.A. City Controller's Office  
**Jennifer McDowell**  
L.A. City Mayor's Office  
**Brian Mello**  
Assoc. General Contractors of CA  
**Santa Ramirez**  
Tenth District PTSA

**William O. Ross IV**  
31<sup>st</sup> District PTSA  
**Rachelle Anema (Alternate)**  
L.A. Co. Auditor-Controller's Office  
**Bevin Ashenmiller (Alternate)**  
Tenth District PTSA  
**Ashley Kaiser (Alternate)**  
Assoc. General Contractors of CA  
**Vacant**  
Assoc. of CA School Admin - Retired  
**Vacant**  
LAUSD Student Parent  
**Timothy Popejoy**  
Bond Oversight Administrator  
**Perla Zitle**  
Bond Oversight Coordinator

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**RESOLUTION 2025-21**

**BOARD REPORT NO. 387-24/25**

**FISCAL YEAR 2026 OIG WORK PLAN/STRATEGIC EXECUTION PLAN**

WHEREAS, District Staff proposes that the Board of Education approve the Fiscal Year 2026 Office of the Inspector General (OIG) Work Plan; and

WHEREAS, in March 2003, the Board of Education authorized the OIG to conduct audits of bond funded new construction and modernization programs and related bond expenditures with BB and Measure K bond funds; and

WHEREAS, in March 2004, June 2005, November 2008, November 2020, and November 2024 additional bond funds were programmed for audits in Measures R, Y, Q, RR, and US as approved by the electorate; and

WHEREAS, the associated Fiscal Year 2026 OIG Work Plan/Strategic Execution Plan proposes to use School Upgrade Program (SUP) funds in the amount of \$4,840,579 to provide audit, investigative, and special services, and training

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Citizens' Bond Oversight Committee recommends that the Board of Education adopt the Fiscal Year 2026 OIG Work Plan/Strategic Execution Plan as defined in Board Report No. 387-24/25, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.

**RESOLUTION 2025-21**  
**FISCAL YEAR 2026 OIG WORK PLAN/STRATEGIC EXECUTION PLAN**

2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Bond Oversight Committee’s website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Bond Oversight Committee and the District.

ADOPTED on May 22, 2025, by the following vote:

AYES: 9

ABSTENTIONS: 0

NAYS: 0

ABSENCES: 4

*/Michael Hamner/*

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D. Michael Hamner  
Chair

*/Robert Campbell/*

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Robert Campbell  
Vice-Chair



## Board of Education Report

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**File #:** Rep-387-24/25, **Version:** 1  
**In Control:** Inspector General's Office

**Agenda Date:** 6/17/2025

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### **Fiscal Year 2026 OIG Work Plan** Office of the Inspector General

#### **Brief Description:**

(Approval of FY 2026 OIG Work Plan) Recommends approval of the Fiscal Year 2026 Office of the Inspector General Work Plan which sets forth how OIG resources will be used in FY 2026.

#### **Action Proposed:**

Approve the Fiscal Year 2026 Office of the Inspector General Work Plan.

#### **Background:**

The Office of the Inspector General (OIG) performs its work in accordance with professional standards including the Principles and Standards for Offices of Inspector General and Government Auditing Standards. These standards require the efficient and effective use of resources as well as keeping appropriate officials informed of OIG activities. The attached Work Plan incorporates the results of our robust risk assessment process utilizing Board Member, Bond Oversight Committee, District Management, and public input. This Work Plan sets forth how OIG resources will be used during Fiscal Year 2026.

#### **Expected Outcomes:**

With Board approval of this item, the planned work of the OIG will be deemed approved by the appropriate governing body.

#### **Board Options and Consequences:**

If the Board does not approve this item, then the OIG will lack evidence that its annual work plan was approved by the appropriate governing body.

If the Board approves this item, then the OIG will be operating in accordance with professional standards and its Charter.

#### **Policy Implications:**

The OIG Charter requires the Inspector General to present an annual work plan for the Board of Education's review and approval.

#### **Budget Impact:**

Not Applicable

#### **Student Impact:**

Not Applicable

**Equity Impact:**

Not Applicable

**Issues and Analysis:**

Not Applicable

**Attachments:**

Attachment A - Fiscal Year 2026 Office of the Inspector General (OIG) Work Plan

Attachment B - BOC Resolution

**Submitted:**

05/19/2025

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**RESPECTFULLY SUBMITTED,**

**APPROVED & PRESENTED BY:**

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ALBERTO M. CARVALHO  
Superintendent

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SUE STENGEL  
Inspector General  
Office of the Inspector General

**REVIEWED BY:**

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DEVORA NAVERA REED  
General Counsel

\_\_\_ Approved as to form.

**REVIEWED BY:**

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NOLBERTO DELGADILLO  
Deputy Chief Financial Officer

\_\_\_ Approved as to budget impact statement.

**LOS ANGELES UNIFIED SCHOOL DISTRICT  
OFFICE OF THE INSPECTOR GENERAL**

**ANNUAL WORK PLAN  
FISCAL YEAR 2026**



**SUE STENGEL  
INSPECTOR GENERAL**

**OFFICE OF THE INSPECTOR GENERAL**  
**Annual Work Plan**  
**Fiscal Year 2026**

**INTRODUCTION**

This is the Annual Work Plan for Fiscal Year 2026 (FY 2026) for the Office of the Inspector General (OIG) for the Los Angeles Unified School District (District or LAUSD), a risk-based roadmap of projected activities for the upcoming year.

The OIG reports directly to the Board of Education (Board) and operates in accordance with Education Code Section 35400 et seq., the OIG Charter, and the Principles and Standards for Offices of Inspectors General.<sup>1</sup> Our mission is to promote a culture of accountability, transparency, collaboration, and integrity through the performance of audit and investigative services designed to drive continuous improvement, support effective decision-making, and detect and deter fraud, waste, and abuse in the LAUSD.

In FY 2026, the OIG will conduct contract and performance audits, special reviews, and technical evaluations of construction projects; complete due diligence reviews related to independent charter schools and prospective vendors and contractors; conduct background investigations of potential District senior management employees; perform data analytics related to District financials and operations; and investigate allegations of criminal conduct and violations of policies by employees and entities doing business with the District.

Our work plan is intended to be dynamic and flexible. Throughout the year, the OIG responds to emerging risks and changing priorities. Board requests, District management interests, and unforeseen events may require that we perform activities not listed in this work plan or defer or forego projects based on new information and the availability of resources.

We thank the Board of Education for investing in oversight that helps instill trust and confidence in LAUSD. The OIG remains dedicated to providing valuable services that promote positive change for LAUSD students, families, employees, vendors, contractors, and the public.

Sue Stengel  
Inspector General

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<sup>1</sup> California Education Code Sections 35400 et seq., authorize the OIG to conduct audits and investigations, and issue subpoenas, among other duties and responsibilities. The Charter for the Office of the Inspector General outlines, among other things, the OIG's purpose, responsibilities, authority and relationship to the Los Angeles Unified School District and Board of Education. The principles and standards represent generally accepted principles, quality standards, and best practices applicable to federal, state, and local Offices of Inspectors General.

## RISK ASSESSMENT

The OIG developed its work plan through a comprehensive risk assessment process.

1. OIG staff interviewed the Board of Education and approximately 15 key District personnel asking for their input about areas at highest risk for fraud, waste, and abuse.
2. We solicited input from OIG staff, who collectively possess hundreds of years of auditing and investigative experience, and hundreds of years of experience in LAUSD. Tapping into this knowledge, staff contributed their expertise related to areas in the District at highest risk for fraud, waste, and abuse.
3. We developed a survey through which we asked respondents to identify areas of concern as well as the risk of fraud, waste, and abuse in the District. The survey was available in English and Spanish on the OIG website and disseminated via our social media.

We also sent the survey by email to constituencies such as the members of the Board of Education, Bond Oversight Committee, and high-level District managers. Additionally, we shared our survey during various presentations to District personnel and at public meetings.

The goal was to obtain as many survey responses as possible from a broad and diverse group of LAUSD stakeholders.

Exhibit A includes a copy of the complete survey and Exhibit B provides the top areas of concern according to the survey responses.

4. For performance audits, based on the responses from steps 1 through 3, we organized District operations into auditable areas, applied risk factors, which included the pillars of the District's Strategic Plan, and assessed the likelihood and impact of those risk factors relative to each auditable area. The OIG employed a risk assessment instrument which has evolved over the years, to assess the risk level of each auditable area. Based on available information and the knowledge shared by the District's stakeholders, each area's risks were scored based on their potential impact on the District and the likelihood of the risks occurring. We then ranked the identified risk areas.

Based on these risk scores and rankings, as well as direct feedback from LAUSD stakeholders, we selected the performance audits that we identified as posing the highest risk and potentially having the most impactful effect on the District for the work plan. For example, fingerprinting and background checks for contractors/vendors who interact with students, and asset security within Maintenance and Operations.

5. For contract audits, the OIG identified all contracts listed in SAP (10,351). Then, we excluded all contracts that expired before 2024, contracts already audited by the OIG, and contractors we audited in the last three years (where audit findings demonstrated lower risk). We grouped the remaining contracts by category and identified the top three highest value contracts in each category.

## ATTACHMENT A - FY 2026 OIG WORK PLAN

From the remaining 54 contracts, we chose the contracts for this year's work plan based on trends we identified in the OIG's previous work. These included trends found in past incurred cost and performance audits, issues identified in due diligence reports, investigative findings, and knowledge gained from technical evaluations and our data analytics function.<sup>2</sup> We also took into consideration the results of our survey and stakeholder concerns in narrowing our list of contracts.

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<sup>2</sup> This year, as part of our risk assessment, the OIG reviewed all past OIG audits to identify trends related to findings and auditees.

## AUDIT ACTIVITIES

Audit activities are performed primarily to (i) evaluate the efficiency and effectiveness of District operations, (ii) determine if activities are being carried out in accordance with District policies, applicable laws and regulations, (iii) ensure that District vendors and contractors comply with the requirements of their contracts, and (iv) that contracted funds, especially bond funds, are expended as intended.

Because the source of almost half of the OIG's budget is bond funds, we are limited in the non-bond eligible work we can do. Therefore, notwithstanding the results of our risk assessment, the OIG's audit activities focus significantly on contracts, as well as District-wide programs, processes, and systems, funded by school bond measures.

In Table 1, we present an audit work plan based on our risk assessment. In Table 2, we present our actual work plan, commensurate with our financial resources.

Furthermore, to ensure we are addressing the most current risks in a timely manner, the OIG will endeavor to complete the work plan within the fiscal year. Our effort to complete the work plan within the fiscal year, coupled with a reduction in our staff,<sup>3</sup> accounts for fewer audits on our work plan than in the past. In past years, although work on audits began within the designated fiscal year, they were not all completed in that year. Some are not completed until years after the work plan on which they appeared.

The following section describes the types of audit and review activities that may be performed during the year.

### PERFORMANCE AUDITS

These audits are an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of an organization, program, activity, or function to determine if it is performing efficiently and effectively and in compliance with policies, procedures, laws and regulations.

### CONTRACT AUDITS

Contract audits examine the actual costs incurred by the contractor to determine whether the costs were allowable, allocable and reasonable in accordance with the contract terms and conditions. The contracts we will consider are either ongoing or were executed within the last three years.

### SPECIAL REVIEWS

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<sup>3</sup> The OIG's Audit Unit was depleted of resources in FY 2025 due to retirements and an internal reorganization which was partially structured to address the District's budget shortcomings. Two of four Audit Manager positions were eliminated. A Principal Auditor was promoted (and the position was not backfilled), and two Senior Auditors retired. In total, the Audit Unit lost five people in FY 2025 who will not be replaced in the foreseeable future.

Special reviews may be conducted as a result of (i) special requests from the Board of Education or District Management, (ii) issues identified during the course of an audit or investigation, (iii) concerns reported to the OIG, or (iv) the nature of the risk identified. These types of reviews are not conducted in accordance with Government Auditing Standards.

### **CHANGE ORDER AUDITS**

Change order audits examine construction contract change orders (CO) for allowability, allocability and reasonableness of the proposed or claimed CO costs. These change orders were executed to adjust the contract amount for added or deleted work, equitable compensation to the contractor for delay, disruption, inefficiencies, contract terminations and other claims. In FY 2026, the OIG will audit bond-related construction COs for \$1 million or more when requested by District management.

TABLE 1: FY 2026 AUDIT WORK PLAN BASED ON RISK ASSESSMENT							
ITEM NO.	CONTRACT NO.	CONTRACTOR/PROJECT NAME	DESCRIPTION	CONTRACT AMOUNT	TYPE OF AUDIT	USER DEPARTMENT	BOND ELIGIBLE
<b>CONTRACT AUDITS</b>							
1	4400009034	Kemp Bros. Construction, Inc.	Contract for the comprehensive modernization of Huntington Park HS	\$120,144,045	Incurred Cost Audit	Facilities Project Execution	Yes
2	4400008151	Morillo Construction, Inc.	Contract for the comprehensive modernization of 92nd Street ES	\$61,790,667	Incurred Cost Audit	Facilities Project Execution	Yes
3	4400010611	Pinner Construction Co., Inc.	Contract for the classroom replacement at Dixie Canyon Charter ES	\$40,550,536	Incurred Cost Audit	Facilities Project Execution	Yes
4	4400009914	S J Amoroso Construction Co., LLC	Contract for the classroom replacement at Amestoy ES	\$27,681,862	Incurred Cost Audit	Facilities Project Execution	Yes
5	4400011969	Balfour Beatty Construction, LLC	Contract for the comprehensive modernization of Hamilton HS	\$57,094,889	Incurred Cost Audit	Facilities Project Execution	Yes
6	4400008516	American Engineering Laboratory	Contract for materials testing and special inspection services	\$8,250,000	Incurred Cost Audit	Facilities Project Execution	Yes
7	4400010429	AP Construction Group, Inc.	Contract for piping systems and other upgrades at Cortines School of Visual and Performing Arts	\$10,385,575	Incurred Cost Audit	Facilities Project Execution	Yes
8	4400007833	P & R Paper Supply Co., Inc.	Contract to provide food related paper, supplies, and plastic products for District student meal programs	\$70,000,000	Incurred Cost Audit	Food Services Division	No
9	4400010023	Consolidated Disposal Services, LLC	Contract to provide rubbish disposal and recycling services to District schools and offices	\$56,000,000	Incurred Cost Audit	Environmental Health and Safety	No
10	4400008856	Microsoft Corporation	Contract for IT services in the area of software development, enterprise security, and cloud services	\$15,902,729	Incurred Cost Audit	Information Technology Services	Yes
11	4400010314	Let's Do Lunch, Inc.	Contract to provide commodity and commercial foods for District student meal programs	\$20,000,000	Incurred Cost Audit	Food Services Division	No
12	4400008136	I Colorprinting & Mailing, Inc.	Contract to provide printing services for the District	\$30,352,469	Incurred Cost Audit	Material Management Branch	No

ATTACHMENT A - FY 2026 OIG WORK PLAN

13	4400011110	Willis Towers Watson Insurance Services West, Inc.	Contract to provide insurance broker services for the Owner Controlled Insurance Program for school construction	\$92,885,000	Incurred Cost Audit	Office of the Chief Risk Officer	Yes
14	4400010383	The Children's Health Market, Inc.	Contract to provide instructional materials, digital content, and professional development materials to the District	\$25,000,000	Incurred Cost Audit	Division of Instruction	No
15	4400009967	Impex Technologies, Inc.	Contract to provide network equipment, integrated security, and communication systems	\$15,897,894	Incurred Cost Audit	Information Technology Services	Yes
16	4400009255	Vista Higher Learning, Inc.	Contract to provide instructional materials, digital content, and professional development materials to the District	\$11,000,000	Incurred Cost Audit	Division of Instruction	No
17	4400009444	Department of Water and Power	Memorandum of Understanding to provide energy and water efficiency programs and initiatives at District facilities	\$15,000,000	Incurred Cost Audit	Facilities Maintenance & Operations	Yes
18	4400009538	Pinmor Construction, LLC	Contract for the classroom replacement at Dahlia Height ES	\$10,633,493	Incurred Cost Audit	Facilities Project Execution	Yes
19	4400012405	Prowest PCM, Inc.	Contract for the replacement of portables and the construction of a new classroom and food service building at Franklin ES	\$48,477,932	Incurred Cost Audit	Facilities Project Execution	Yes
20	4400011770	Best Contracting Services, Inc.	Contract for roofing services at Gardena HS	\$5,714,335	Incurred Cost Audit	Facilities Maintenance & Operations	Yes
<b>PERFORMANCE AUDITS</b>							
21	N/A	Student Body Accounts	Assess compliance with applicable policies, procedures, and regulations.	N/A	Performance Audit	School Fiscal Services Division	No
22	N/A	General Stores	Examine the efficiency, effectiveness, and economy of the General Stores.	N/A	Performance Audit	PSD - Material Management Branch	No
23	N/A	Fingerprinting and Background Checks of Contractors	Assess the current LAUSD fingerprinting and background check policies and processes in relation to contract professionals working with District students.	N/A	Performance Audit	Division of Risk Management / Procurement Services Division	No

ATTACHMENT A - FY 2026 OIG WORK PLAN

24	N/A	Maintenance & Operations - PUC	Assess internal controls related to asset security.	N/A	Performance Audit	Maintenance & Operations	No
25	N/A	Expanded Learning Opportunities Program (ELO-P) Funds	Determine if ELO-P funds are being used efficiently and in accordance with state law and California Department of Education policies.	N/A	Performance Audit	Division of Instruction / Beyond the Bell	No
26	N/A	Volume Rebates	Identify volume rebates that vendors did not remit to the District.	N/A	Performance Audit	Procurement Services Division	No
27	N/A	Bus Transportation for Students	Examine utilization rates and costs associated with transporting students.	N/A	Performance Audit	Transportation Services Branch	No
28	N/A	Prop 28 - Arts Education	Examine whether Prop. 28 funds are being used in accordance with state law.	N/A	Performance Audit	Division of Instruction / Elementary Program	No
29	N/A	Sales Tax Recovery	Review of Sales & Use Tax focused on recovering overpaid sales taxes.	N/A	Sales & Use Tax Refund Review	Business and Finance Division	No Funded based on recovery

TABLE 2: FY 2026 ACTUAL AUDIT WORK PLAN BASED ON FUNDING							
ITEM NO.	CONTRACT NO.	CONTRACTOR/PROJECT NAME	DESCRIPTION	CONTRACT AMOUNT	TYPE OF AUDIT	USER DEPARTMENT	BOND ELIGIBLE
<b>CONTRACT AUDITS</b>							
1	4400009034	Kemp Bros. Construction, Inc.	Contract for the comprehensive modernization of Huntington Park HS	\$120,144,045	Incurred Cost Audit	Facilities Project Execution	Yes
2	4400008151	Morillo Construction, Inc.	Contract for the comprehensive modernization of 92nd Street ES	\$61,790,667	Incurred Cost Audit	Facilities Project Execution	Yes
3	4400010611	Pinner Construction Co., Inc.	Contract for the classroom replacement at Dixie Canyon Charter ES	\$40,550,536	Incurred Cost Audit	Facilities Project Execution	Yes
4	4400009914	S J Amoroso Construction Co., LLC	Contract for the classroom replacement at Amestoy ES	\$27,681,862	Incurred Cost Audit	Facilities Project Execution	Yes
5	4400011969	Balfour Beatty Construction, LLC	Contract for the comprehensive modernization of Hamilton HS	\$57,094,889	Incurred Cost Audit	Facilities Project Execution	Yes
6	4400008516	American Engineering Laboratory	Contract for materials testing and special inspection services	\$8,250,000	Incurred Cost Audit	Facilities Project Execution	Yes
7	4400010429	AP Construction Group, Inc.	Contract for piping systems and other upgrades at Cortines School of Visual and Performing Arts	\$10,385,575	Incurred Cost Audit	Facilities Project Execution	Yes
8	4400007833	P & R Paper Supply Co., Inc.	Contract to provide food related paper, supplies, and plastic products for District student meal programs	\$70,000,000	Incurred Cost Audit	Food Services Division	No
9	4400010023	Consolidated Disposal Services, LLC	Contract to provide rubbish disposal and recycling services to District schools and offices	\$56,000,000	Incurred Cost Audit	Environmental Health and Safety	No
10	4400008856	Microsoft Corporation	Contract for IT services in the area of software development, enterprise security, and cloud services	\$15,902,729	Incurred Cost Audit	Information Technology Services	Yes
11	4400011626	Fredrick Towers, Inc.	JOC contract for general contracting services District-wide	\$5,350,000	Incurred Cost Audit	Facilities Project Execution	Yes

TABLE 2: FY 2026 ACTUAL AUDIT WORK PLAN BASED ON FUNDING							
ITEM NO.	CONTRACT NO.	CONTRACTOR/PROJECT NAME	DESCRIPTION	CONTRACT AMOUNT	TYPE OF AUDIT	USER DEPARTMENT	BOND ELIGIBLE
12	4400012532	NSA Construction Group, Inc.	Contract for improvements to comply with the Americans with Disabilities Act at Marlon Special Education	\$3,958,124	Incurring Cost Audit	Facilities Project Execution	Yes
13	4400011110	Willis Towers Watson Insurance Services West, Inc.	Contract to provide insurance broker services for the Owner Controlled Insurance Program for school construction.	\$92,885,000	Incurring Cost Audit	Office of the Chief Risk Officer	Yes
14	4400011664	Telenet VOIP, Inc.	JOC contract for electrical and low-voltage services District-wide	\$3,500,000	Incurring Cost Audit	Information Technology Services	Yes
15	4400009967	Impex Technologies, Inc.	Contract to provide network equipment, integrated security, and communication systems.	\$15,897,894	Incurring Cost Audit	Information Technology Services	Yes
16	4400013173	Prime Axis General Builder, Inc.	Contract for improvements to comply with the Americans with Disabilities Act at Bethune MS	\$5,110,024	Incurring Cost Audit	Facilities Project Execution	Yes
17	4400009444	Department of Water and Power	Memorandum of Understanding to provide energy and water efficiency programs and initiatives at District facilities	\$15,000,000	Incurring Cost Audit	Facilities Maintenance & Operations	Yes
18	4400009538	Pinmor Construction, LLC	Contract for the classroom replacement at Dahlia Height ES	\$10,633,493	Incurring Cost Audit	Facilities Project Execution	Yes
19	4400012405	Prowest PCM, Inc.	Contract for the replacement of portables and the construction of a new classroom and food service building at Franklin ES	\$48,477,932	Incurring Cost Audit	Facilities Project Execution	Yes
20	4400011770	Best Contracting Services, Inc.	Contract for roofing services at Gardena HS	\$5,714,335	Incurring Cost Audit	Facilities Maintenance & Operations	Yes
PERFORMANCE AUDITS							
21	N/A	Student Body Accounts	Assess compliance with applicable policies, procedures, and regulations.	N/A	Performance Audit	School Fiscal Services Division	No

TABLE 2: FY 2026 ACTUAL AUDIT WORK PLAN BASED ON FUNDING							
ITEM NO.	CONTRACT NO.	CONTRACTOR/PROJECT NAME	DESCRIPTION	CONTRACT AMOUNT	TYPE OF AUDIT	USER DEPARTMENT	BOND ELIGIBLE
22	N/A	General Stores	Examine the efficiency, effectiveness, and economy of the General Stores.	N/A	Performance Audit	PSD - Material Management Branch	No
23	N/A	Fingerprinting and Background Checks of Contractors	Assess the current LAUSD fingerprinting and background check policies and processes in relation to contract professionals working with District students.	N/A	Performance Audit	Division of Risk Management / Procurement Services Division	No
24	N/A	Job Order Contracting (JOC)	Assess the prequalification process and evaluate the JOC bench.	N/A	Performance Audit	PSD - Facilities Contract - JOC	Yes
25	N/A	Non Competitively Bid Contracts	Assess appropriateness of the procurement method and whether costs were reasonable.	N/A	Performance Audit	PSD - Procurement and Contract Administration Branch Facilities Contracts	Yes
26	N/A	Photovoltaic Program	Follow-up on recommendations from a 2021 OIG audit, and assess current compliance with contract requirements.	N/A	Performance Audit	Energy Management Unit (Disbanded)	Yes
27	N/A	Contractor Performance Evaluation	Examine consistent and thorough completion of contractor performance evaluations and use in the procurement process for construction contracts.	N/A	Performance Audit	FSD (PEX) M & O (Construction Inspection) School Sites	Yes
28	N/A	Owner Controlled Insurance Program	Follow-up on recommendations from a 2016 OIG audit. Assess the current program.	N/A	Performance Audit	Division of Risk Management and Insurance Services - Risk Finance and Insurance Services	Yes
29	N/A	Sales Tax Recovery	Review of Sales & Use Tax focused on recovering overpaid sales taxes.	N/A	Sales & Use Tax Refund Review	Business and Finance Division	No Funded based on recovery

## INVESTIGATIVE ACTIVITIES

For FY 2026, in addition to responding to allegations of District employee misconduct and policy violations, we will continue to proactively focus on certain strategic areas and investigative activities that we believe will provide the District with added protection of public resources.

The OIG will continue to concentrate on the high-risk areas with the greatest potential for exposing fraud, waste, and abuse within the District.<sup>4</sup> In more complex criminal matters, we will endeavor to work collaboratively with federal, state, and local law enforcement agencies, and task forces, such as the Education Fraud Working Group, and the U.S. Department of Justice Procurement Collusion Task Force.

### OIG HOTLINE

The OIG manages the District's fraud, waste, and abuse hotline, which generates hundreds of complaints, allegations of criminal misconduct, and District policy violations from internal and external sources each year. According to studies conducted by PriceWaterhouseCoopers<sup>5</sup> and the Association of Certified Fraud Examiners,<sup>6</sup> corporate and occupational fraud is detected most often by whistleblowers or tipsters, rather than internal controls or law enforcement activities. As a result, they recommend that companies have robust reporting mechanisms, such as a hotline.

In FY 2023, the OIG created social media accounts and redesigned our website for greater awareness and outreach. In addition to investigating allegations of fraud, waste, and abuse, we ensure that other matters from the hotline are referred to District departments and are adequately addressed and responded to promptly.

### Additional Outreach

In FY 2025, the OIG reached approximately 1,900 LAUSD employees through presentations to District personnel across various departments and regions. In FY 2026, the OIG will continue to promote District-wide awareness of employee integrity issues and, when necessary, we will engage and include relevant District management and staff in the various types of fraud awareness training throughout the year and encourage the use of deterrent products such as the Inspector General Fraud Warning included in LAUSD procurement packages. The OIG will continue to promote awareness of the hotline, webpage, and the OIG's role and responsibilities among District personnel, the public, and through Board and Bond Oversight Committee meetings.

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<sup>4</sup> The OIG's Investigations Unit was also downsized due to retirements and an internal reorganization which was partially structured to address the District's budget shortcomings. Two unfilled Senior Investigator positions were closed. Two Senior Investigators retired (we will be hiring to fill these positions), and the Deputy Inspector General (DIG) for Investigations retired. This DIG position was closed and an Assistant Inspector General (AIG) will lead the Investigations Unit in the future. Although the AIG position was not filled in FY 2025, the OIG plans to hire an AIG in FY 2026.

<sup>5</sup> [https://www.ohchr.org/sites/default/files/lib-docs/HRBodies/UPR/Documents/session9/US/NWC\\_NationalWhistleblowersCenter\\_Annex2.pdf](https://www.ohchr.org/sites/default/files/lib-docs/HRBodies/UPR/Documents/session9/US/NWC_NationalWhistleblowersCenter_Annex2.pdf), accessed May 15, 2025.

<sup>6</sup> <https://www.acfe.com/-/media/files/acfe/pdfs/rtn/2024/2024-report-to-the-nations.pdf>, accessed May 15, 2025.

## ATTACHMENT A - FY 2026 OIG WORK PLAN

Furthermore, the hotline information is included in every Board agenda and on the Board's television feed.

Anyone can easily report to the OIG allegations of fraud, waste, abuse, or misconduct occurring within the District. Allegations can be reported online via our web-based hotline 24 hours a day, seven days a week. Reports can also be made via email, phone, in writing, or in person.

District employees, students, families, other stakeholders, and members of the public are encouraged to report fraud, waste, and abuse via any of the following methods:

Online: <https://www.lausd.org/oig>  
Email: [Inspector.General@lausd.net](mailto:Inspector.General@lausd.net)

Phone: (213) 241-7778 Local  
(866) 528-7364 Toll Free

Write or Visit: 333 South Beaudry Avenue, 12th Floor  
Los Angeles, CA 90017

### **EMPLOYEE INTEGRITY**

Since the OIG hotline generates hundreds of calls each year, the OIG will continue to focus on investigating employee misconduct related to our mission. These investigations largely center on conflicts of interest, misappropriation of funds, embezzlement, payroll fraud, falsification of documents, property and equipment misuse, theft of property, nepotism, forgery, and ethics violations.

### **CONTRACTOR, CONSULTANT, AND VENDOR INTEGRITY**

The OIG will continue its investigative activities related to District contractors, consultants, and vendors. Allegations of theft, misappropriation of public funds, bid-splitting, and bid-rigging are among the more common complaints. The OIG will also concentrate on deterring and detecting corruption in the District's school construction bond programs.

### **WHISTLEBLOWER PROTECTION**

People who report improper governmental activity involving the District are protected against retaliation, interference, intimidation, threats, or similar acts. The OIG has the authority to investigate violations of the Whistleblower Protection Policy. The OIG will endeavor to thoroughly investigate any and all credible complaints of violations of the District's Whistleblower Protection Policy.

## **SPECIAL SERVICES**

In FY 2025, the OIG created the Special Services Unit. As one of three core units of the OIG, the Special Services Unit plays a key role in advancing the OIG's mission by spearheading the OIG's data analytics function to identify areas of risk within the District, and conducting special reviews, technical evaluations, and due diligence and background investigations. The Special Services Unit comprises four functional areas, as described below, and its work provides information for decision-making and recommendations to improve District programs, policies, and procedures.

In FY 2026, the work of the OIG's Special Services Unit will continue. This work will be supported by bond funds and general funds.

### **DATA ANALYTICS**

The OIG created a data analytics function to support our audit, investigative, and special review work by mining and analyzing District data. The team conducts robust analyses of data from District enterprise-wide and function-specific systems (e.g., the Systems Applications and Products system (SAP), and the Consolidated On-Line Information Nexus (COLIN) system) to identify patterns, trends, and anomalies.

The data analytics work enables a data-driven approach to how we perform our work, enhances our risk assessment process, informs the selection of audits and special reviews, and proactively drives investigations.

### **SPECIAL REVIEWS**

The Special Review Team consists of both auditors and investigators, combining the experience and expertise of the OIG's audit and investigative functions to work on special reviews of District-wide programs and policies, mostly identified through data analytics or that appropriately fall within the expertise of the auditors and investigators in the Special Services Unit.

Special reviews are conducted as a result of (i) data analytics, (ii) issues identified during the course of an audit or investigation, (iii) special requests from the Board of Education or District management, or (iv) concerns reported to the OIG. Special reviews that conclude with evidence of significant internal control deficiencies and/or inadequate District policies and procedures may be referred to the OIG Audit Unit. Special reviews that conclude with evidence of potential administrative and/or criminal violations may be referred to the OIG Investigations Unit. Special reviews may also conclude with findings and recommendations to District management to improve the effectiveness of their policies and procedures.

## TECHNICAL EVALUATIONS

Technical evaluations are tests or assessments of construction projects conducted to determine the technical suitability of a structure, equipment, material, product, process or system for the intended objectives. Completed construction projects will be evaluated to ensure compliance with contract documents, specifications, and code requirements. Technical evaluations may also be performed to evaluate facility-related departments and programs to assess their compliance with state and local laws and regulations, and District policies and guidelines. The OIG's technical evaluation team consists of a Facilities Project Manager II and an Architect.

In FY 2026, the OIG will perform four technical evaluations of the following bond-funded projects. These four projects were selected for one or more of the following reasons: (i) high contract value, (ii) the contractor has not been subject to a technical evaluation previously by the OIG, (iii) contract delivery method, (iv) type of construction project, and (v) a recommendation from the OIG Audit Unit and/or the OIG Investigations Unit.

1. **Contract Number:** 4400010854  
**Contractor:** Byrom-Davey, Inc.  
**Construction Project:** Synthetic Football Field and Track Upgrade Project at Garfield High School  
**Contract Delivery Method:** Design-Build  
**Contract Amount:** \$9,214,671
  
2. **Contract Number:** 4400011959  
**Contractor:** C&P Construction Development, Inc.  
**Construction Project:** Underground Hydronic Piping Project at Byrd Middle School  
**Contract Delivery Method:** Best Value  
**Contract Amount:** \$6,925,500
  
3. **Contract Number:** 4400009999  
**Contractor:** PCN3, Inc.  
**Construction Project:** Seismic Retrofit of the Auditorium Project at Franklin High School  
**Contract Delivery Method:** Formal  
**Contract Amount:** \$6,090,000

4. **Contract Number:** 4400012272

**Contractor:** Reyes Electrical Contractor, Inc.

**Construction Project:** Outdoor Classroom and Campus Upgrade Project at Alexandria Early Education Center

**Contract Delivery Method:** Formal

**Contract Amount:** \$1,921,149

## **DUE DILIGENCE AND BACKGROUND INVESTIGATIONS**

The OIG conducts due diligence reviews in support of the District's ongoing efforts to assess the backgrounds of senior management applicants, contractors doing, or seeking to do, business with the District, and independent charter schools and their petitioners. Due diligence services and background investigations may also be generated proactively by the OIG. The OIG utilizes searchable public record databases when conducting these due diligence reviews and the results are reported to the respective District division leaders. The OIG receives due diligence requests primarily from the District's Charter Schools Division, the Office of the General Counsel, and the Procurement Services Division.

Furthermore, at the request of District management, due diligence services are conducted before the District enters into contracts and agreements to assess whether contractors, vendors, or consultants are free from such issues as criminal history, bankruptcies, or other matters that may impact the District's decision to enter into contracts or agreements with the entity or its officers. Due diligence reviews for contractors, vendors, or consultants performing bond-funded work are paid for with school bond funds.

### **Independent Charter Schools - FY 2026**

Currently, there are 63 District-authorized independent charter schools that are operating with a charter that is set to expire on June 30, 2026. The District is expecting that these independent charter schools will engage in the District's authorization process to renew their charter and extend their current charter term. For FY 2026, to support the District's authorization process, the OIG is expecting to conduct due diligence reviews on these 63 independent charter schools and their charter petitioners.

2. Do you have any issues pertaining to the following areas? Please select up to three areas based on your level of concern.

- Arts and Music Education
- General Stores
- Early Payment Discounts on LAUSD Contracts
- Transportation - Busing To and From School
- Background Checks and Fingerprinting of Contractors (Tutors/After School)
- Bond funded work and overtime used by Maintenance and Operations (M&O)
- Professional/Personal Services Contracts (Beitch Contracts with many vendors)
- LAUSD insurance for construction program (OCIP)
- Solar Panels/Photovoltaic Program
- Impact of Decreasing Enrollment at Schools
- Non-competitive procurements (sole source and single source)
- District Inventory Systems

3. Please select the areas that are of most concern to you from the list provided.

- High school athletes, i.e. athletes being paid - NIL (Name, Image & Likeness) or transferring schools
- The recent California wild fires (or other natural disasters) and their impact on school operations current and future, or contracts executed with urgency authority
- Tutoring Program (accessibility, qualifications of tutors, program benefits)
- Please elaborate on your selection(s), or provide another area not listed above.

4. Please select up to three areas related to **Instruction** that you find most concerning.

- Instructional Materials
- A-G Curriculum
- Textbook Ordering and Management
- Instructional Software
- Special Education
- Please elaborate on your selection(s), or provide another area not listed above.
- Outdoor Education and Nature-Based Experiences
- Independent Study Program
- Attendance Management for Students
- Asset Inventory



**Los Angeles Unified School District Office of the Inspector General**  
**2025 Annual Risk Assessment Survey**

The Office of the Inspector General (OIG) fosters a culture characterized by accountability, transparency, collaboration, and integrity through its audit and investigative services. These services are aimed at promoting ongoing improvement, facilitating informed decision-making, and identifying as well as preventing waste, fraud, and abuse.

We highly value and seek the insights of our stakeholders. Enclosed is our annual stakeholder survey, which serves to pinpoint issues and concerns, and is specifically utilized to inform the development of our annual work plan for the upcoming school year.

We kindly ask you to respond to the following questions to the best of your ability. Your insights and understanding of the District are crucial to our continuous improvement efforts, enabling us to deliver the best possible experiences and educational opportunities for our students.

We appreciate your valuable input.

1. Kindly indicate your affiliation with the Los Angeles Unified School District (LAUSD).

- Board Member
- LAUSD Student
- Parent/Guardian
- LAUSD Employee
- Contractor/Consultant
- Other (please specify)
- None of the above
- Bond Oversight Committee Member
- Community Member
- Prefer not to say

Project Management  Construction Costs

Change Orders

Please elaborate on your selection(s), or provide another area not listed above.

None of the above

8. Please select up to three areas of concern within the **Facilities Services Division** from the options provided.

Budget/Accounting/Invoice Processing  Operations Services (custodial, landscaping, pest management)

School Maintenance and Modernization Program

Sustainability initiatives (photovoltaic program, and campus ecology)

Please elaborate on your selection(s), or provide other areas not listed above.

None of the above

9. Please select up to three areas of concern related to **Finance** from the options provided.

School Fiscal Services (Student body funds, donations, booster clubs, imprest funds, purchasing)

Federal and State Funds/Grants Compliance (Title I, Career Tech Ed, ADA, Catereria)

Asset Inventory Management (IT equipment, facilities equipment, school supplies)

Charter School Financial Management and Fiscal Operations

Accounts Payable (disbursements, late payments, rebates, discounts, and imprest funds)

School Budgets and Local Control Funding Formula

Accounts Receivable (charter school receipts, Medi-Cal reimbursements, developer fees, school funding receipts)

None of the above

5. Please select up to three areas related to **Student Support Services** that you find most concerning.

After-school Services (Beyond the Bell, tutoring)  School Mental Health Services (Crisis Counseling and Intervention Services)

Nursing Services and Operations  School Lunch and Breakfast

Wellness Centers

Please elaborate on your selection(s), or provide another area not listed above.

None of the above

6. Please select up to three areas of concern related to **Security** from the options provided.

Emergency Services (Safe School Plan, supplies, emergency drills, school police)

Waste Management (trash, recycling)

Environmental Health and Safety (Chemical Safety, Hazardous Waste, Water and Air Safety)

Please elaborate on your selection(s), or provide another area not listed above.

None of the above

7. Please select up to three areas related to the **Construction Program** that you find most concerning.

Planning and Design  Use of Contract Professional or Contractors

12. Please select up to three areas within **Information Technology** that are of particular concern to you.

- Physical Security of IT Assets
- Cloud Services (protection of data)
- Help Desk Operations
- Educational Applications (artificial intelligence related tools)
- Data Centers
- Please elaborate on your selection(s), or provide other areas not listed above.

None of the above

13. Please select up to three areas of concern related to **Software Applications** from the options provided.

- MISIS
- COLIN
- WeRigent
- Backboard Connect
- Schoology
- Maximo
- SAP / Arriba
- Please elaborate on your selection(s), or provide other areas not listed above.

None of the above

14. Please select up to three areas of concern related to **Administration and Community Relations** from the options provided.

- General Counsel Operations
- Parent and Community Engagement
- Labor Relations (union contracts)
- School Site Council
- Please elaborate on your selection(s), or provide other areas not listed above.

Payroll Operations (overtime, extra duty pay, off-cycle payroll, multi-funded time reporting)

Please elaborate on your selection here, or provide other areas not listed above.

None of the above

10. Please select up to three areas related to **Procurement** that are of most concern to you.

- Construction Contract Procurement Methods (Design Build, Design Bid Build, Alternative Design Build)
- Low Dollar Purchase Orders
- Warehouse Inventory (Ordering and Pricing, Distribution)
- Job Order Contracting
- Best Value Procurement
- A/B Letters
- Please elaborate on your selection(s), or provide other areas not listed above.

None of the above

11. Please select up to three areas of **Risk Management** that are most concerning to you from the options provided.

- Unemployment Claims by Employees
- Retirement Accounts (403B, 457)
- Workers Compensation
- Please elaborate on your selection(s), or provide other areas not listed above.

None of the above

None of the above

15. Please tell us how susceptible you believe the District is to the following?

Level of Risk (Select High, Medium, or Low)

Fraud	<input type="text"/>
Waste	<input type="text"/>
Abuse	<input type="text"/>

Please elaborate on the risk levels selected (optional).

16. Please share any area(s) of concern not listed above.

17. Should you be amenable to a follow-up, kindly share your contact information. This is optional, and your details will be treated with confidentiality.

Name (First and Last)	<input type="text"/>
Job Title	<input type="text"/>
Your Contact Information (email or phone number)	<input type="text"/>

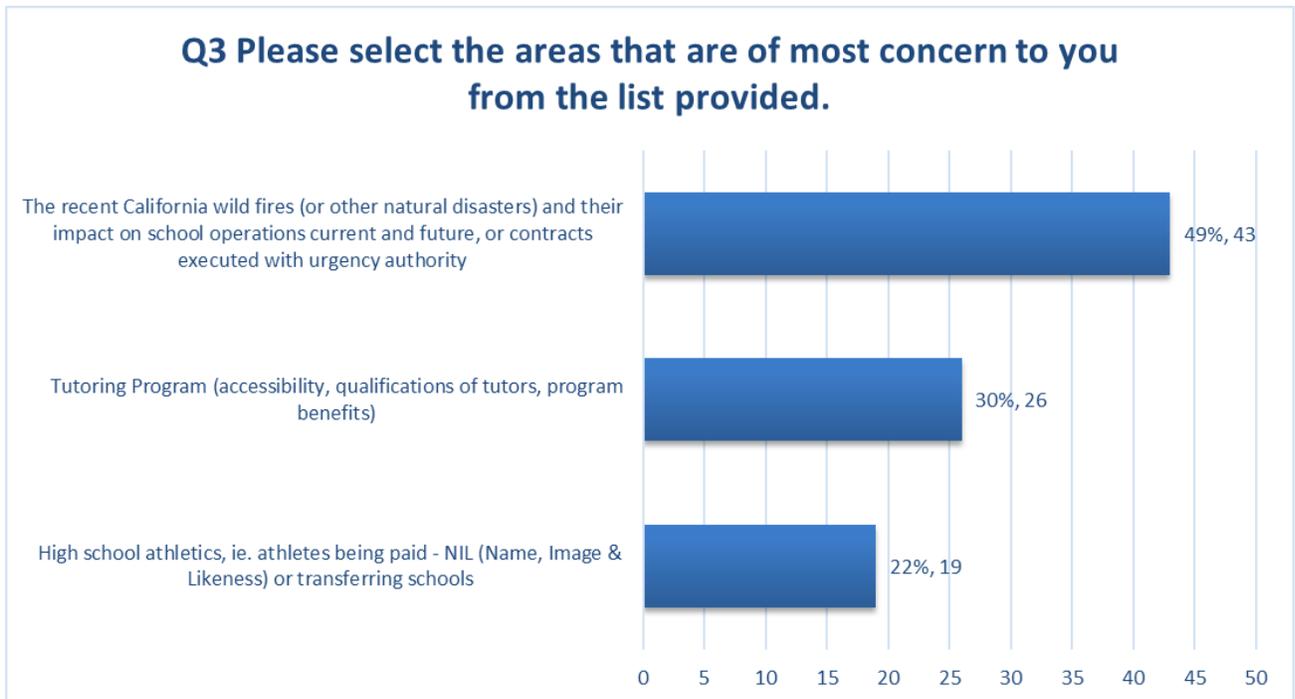
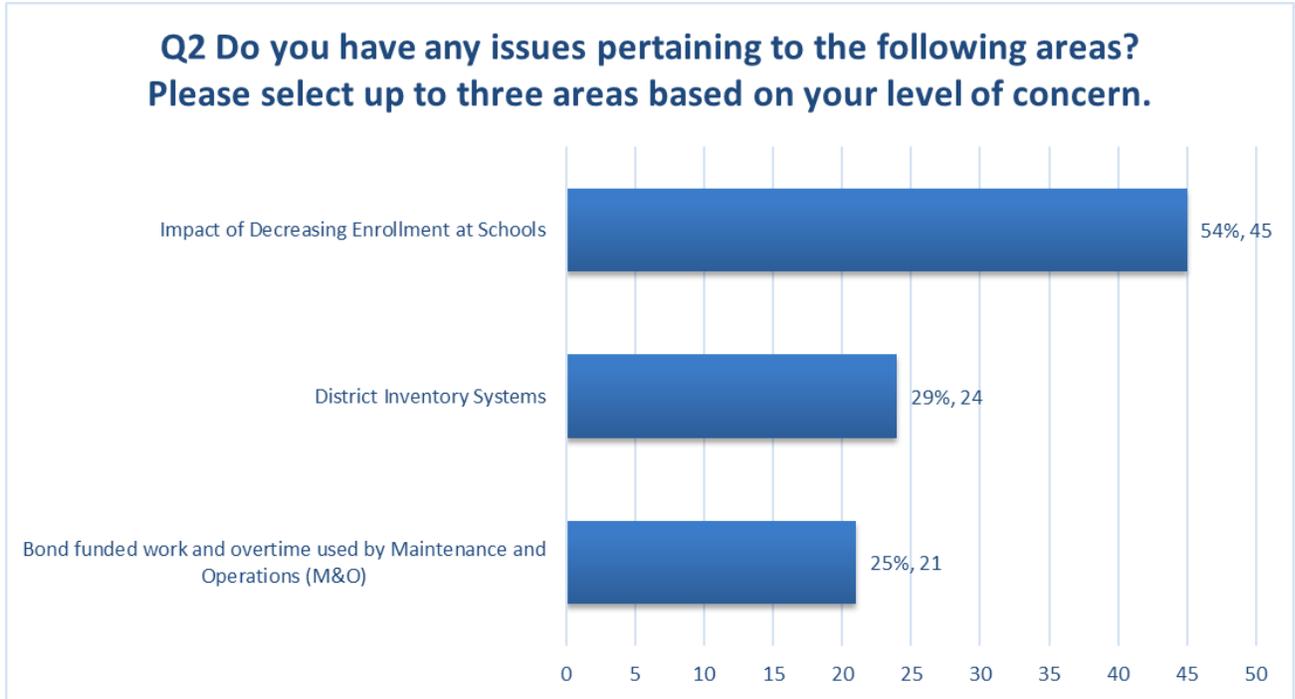
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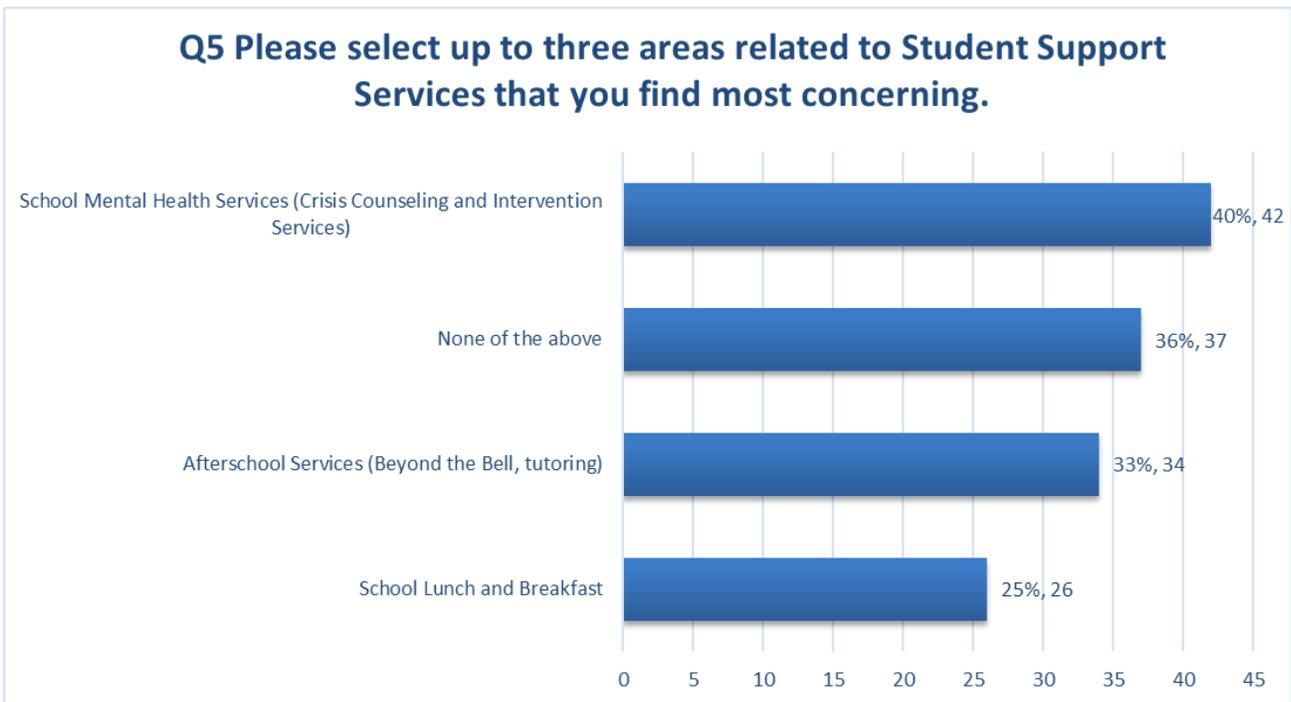
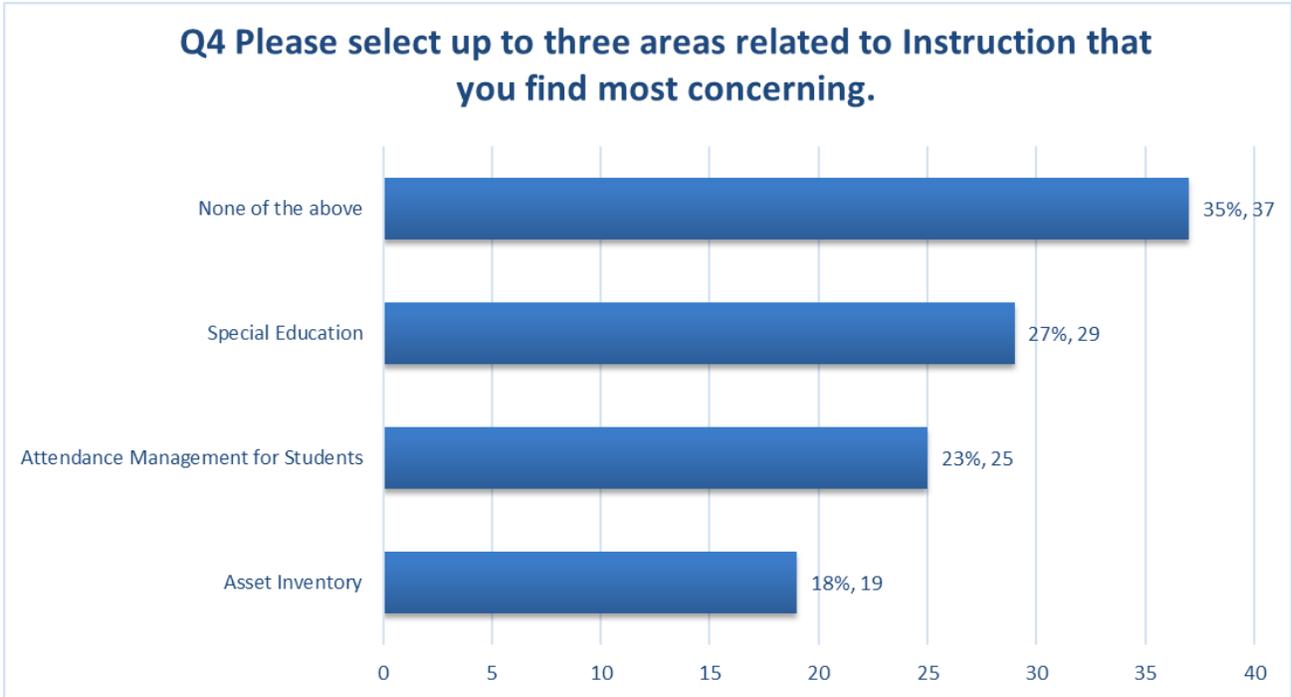


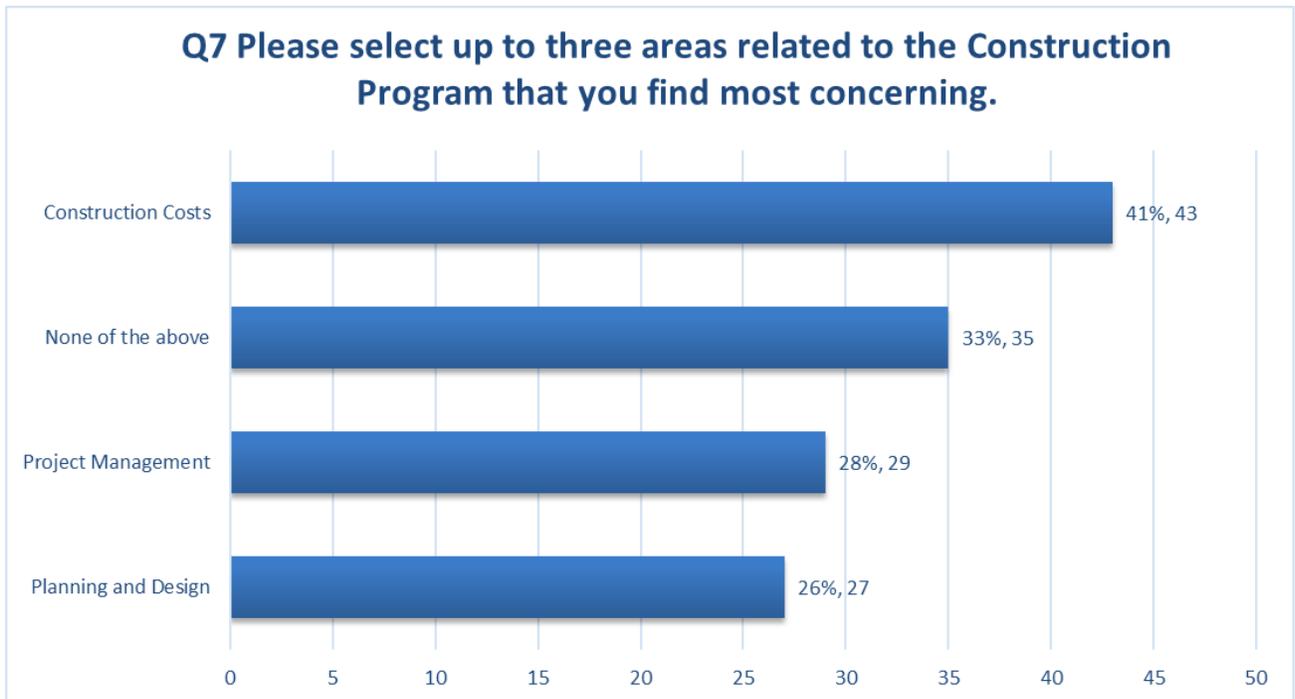
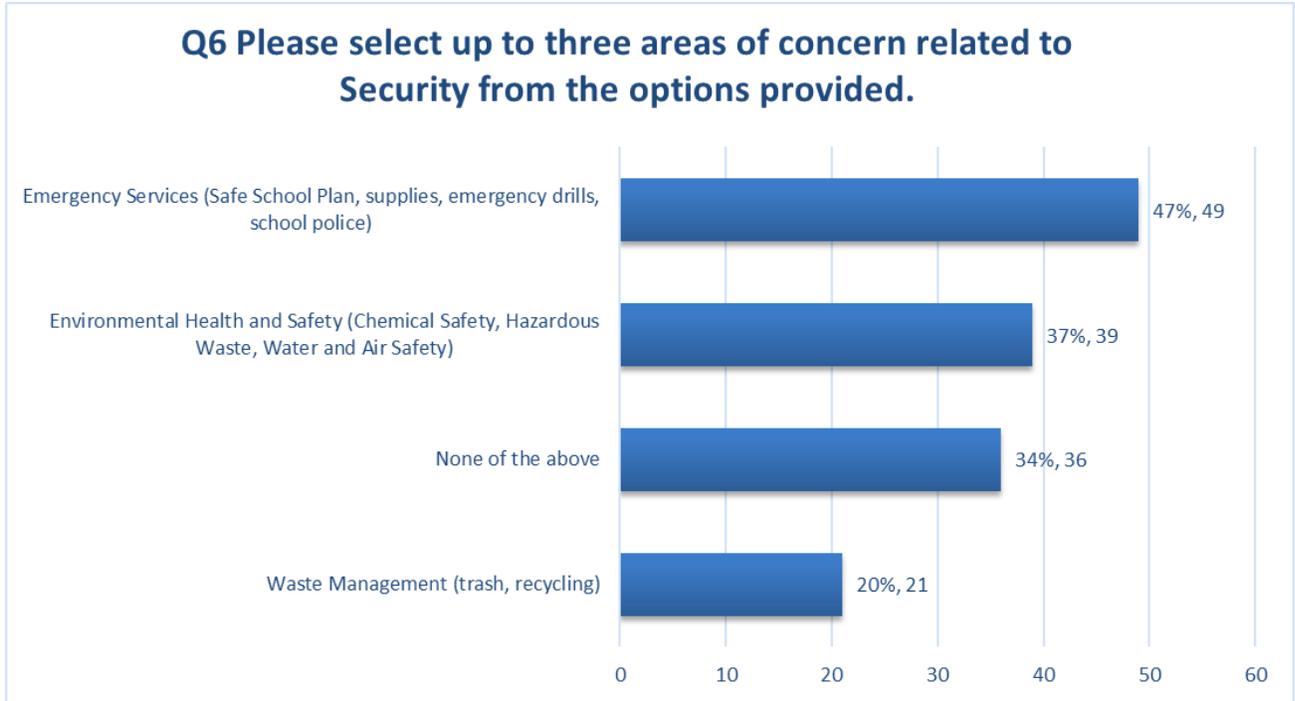
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FISCAL YEAR 2026 RISK ASSESSMENT SURVEY

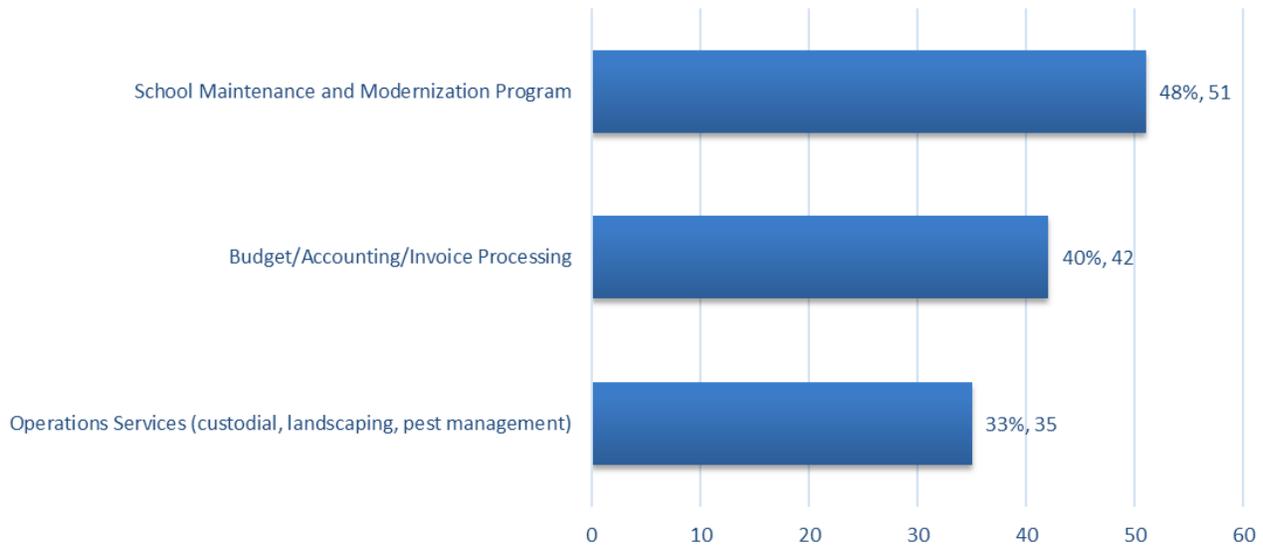
TOP AREAS OF CONCERN



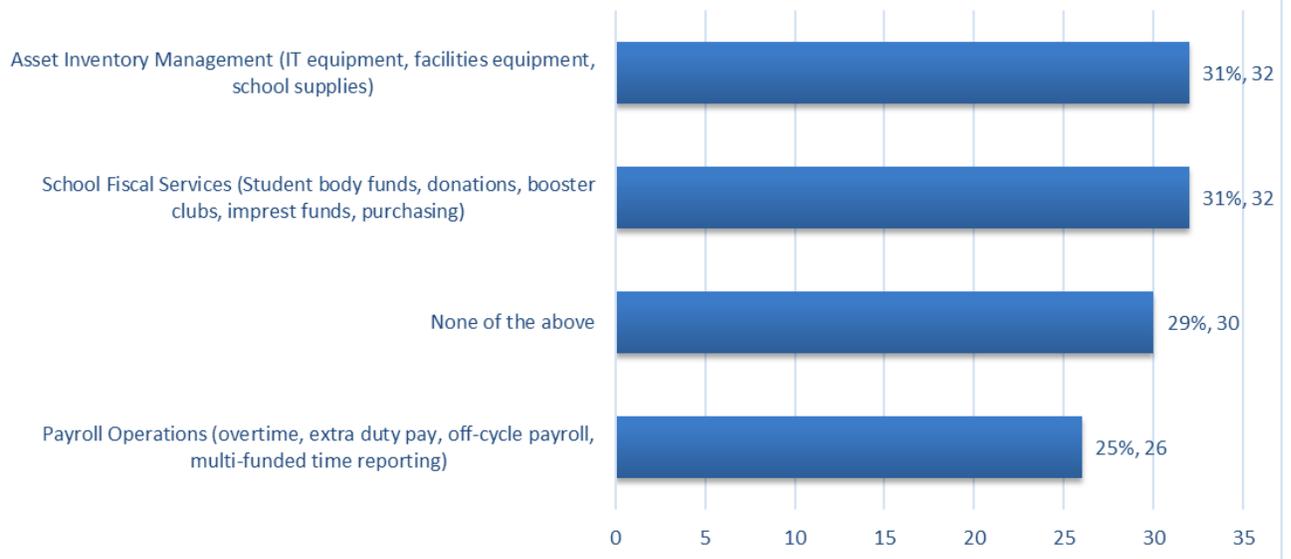




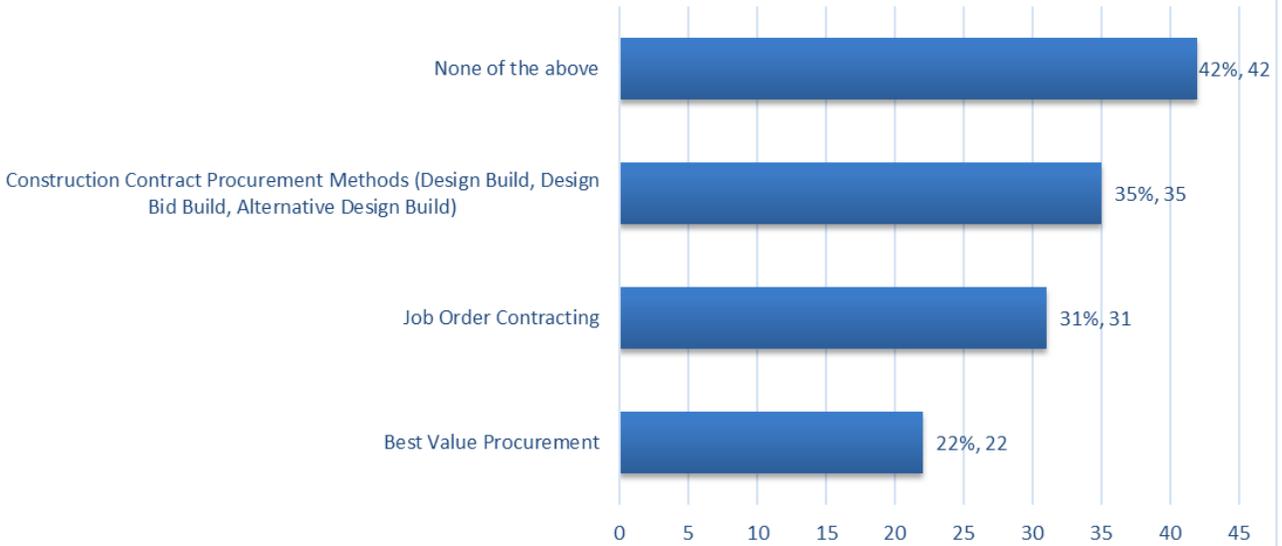
**Q8 Please select up to three areas of concern within the Facilities Services Division from the options provided.**



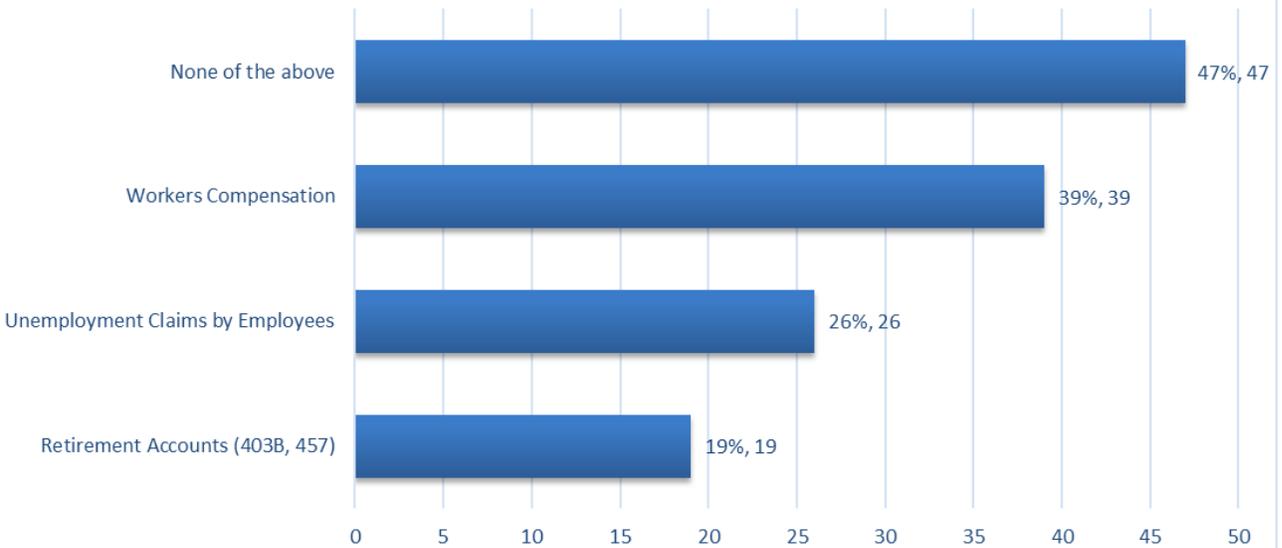
**Q9 Please select up to three areas of concern related to Finance from the options provided.**



**Q10 Please select up to three areas related to Procurement that are of most concern to you.**



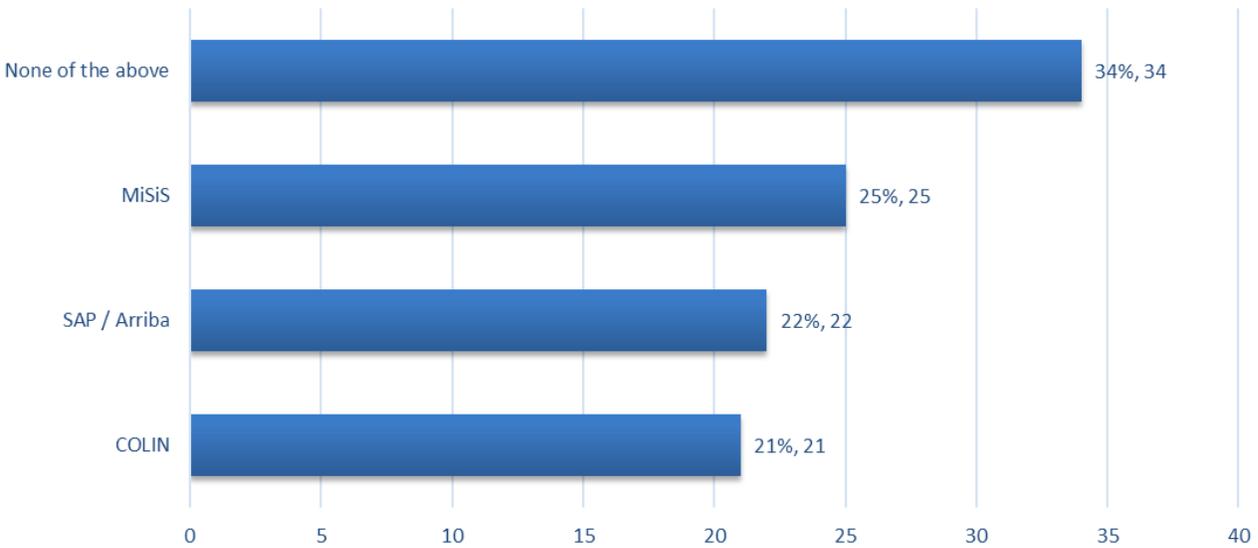
**Q11 Please select up to three areas of Risk Management that are most concerning to you from the options provided.**

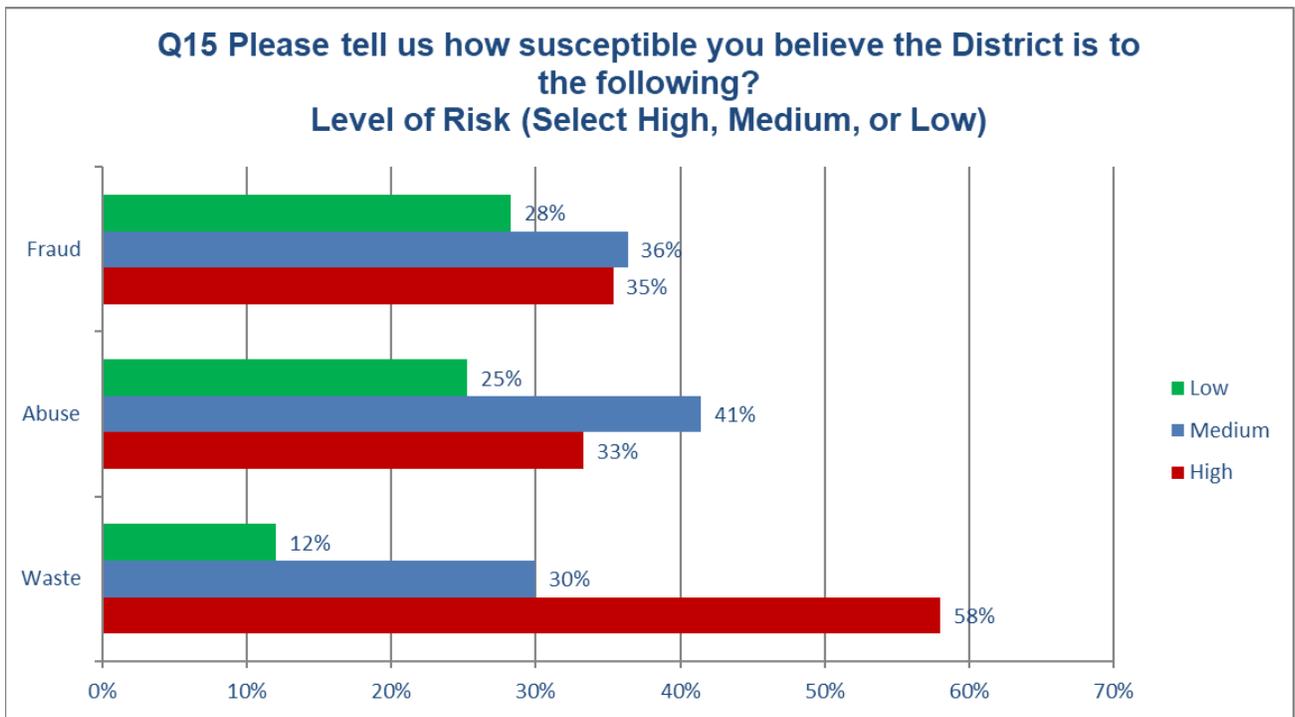
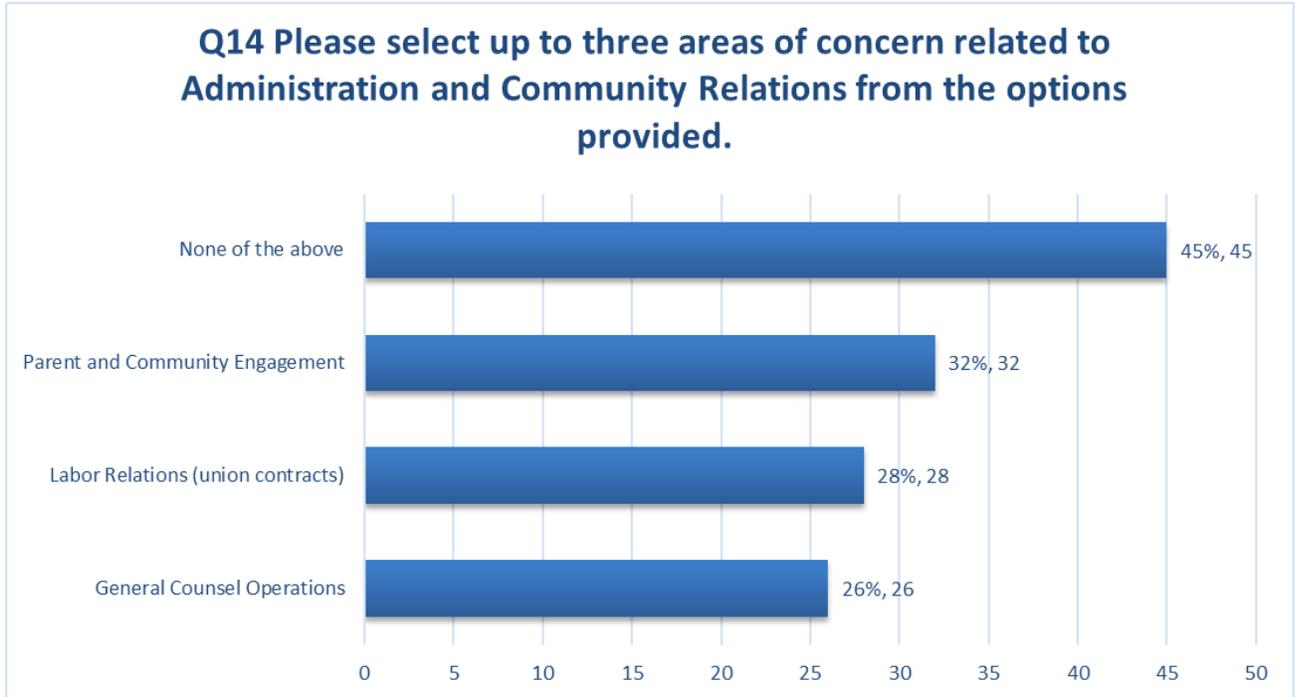


**Q12 Please select up to three areas within Information Technology that are of particular concern to you.**



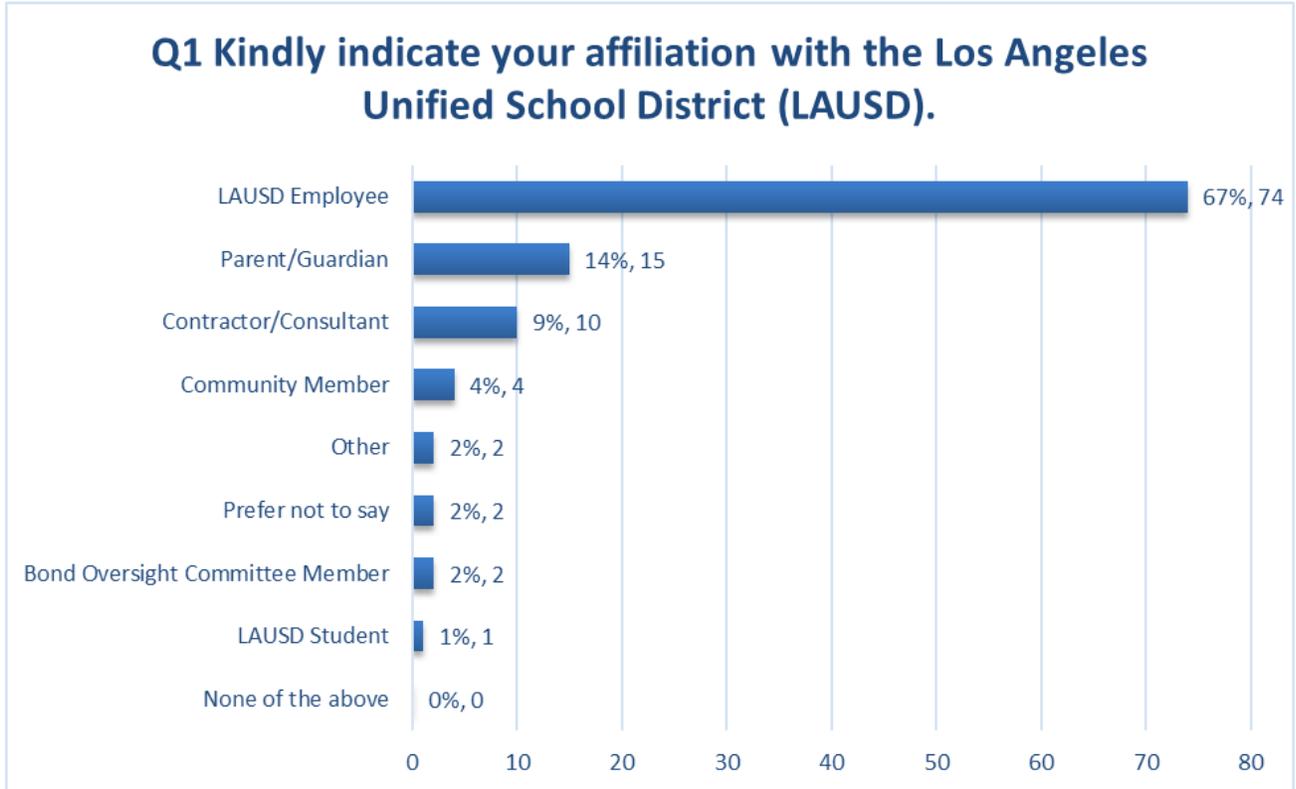
**Q13 Please select up to three areas of concern related to Software Applications from the options provided.**





FISCAL YEAR 2026 RISK ASSESSMENT SURVEY

RESPONDENT INFORMATION





LAUSD

En español



## Office of the Inspector General

*"Independent and Objective Oversight"*

**REPORT FRAUD, WASTE & ABUSE**



(213) 241-7778 or (866) 528-7364



[inspector.general@lausd.net](mailto:inspector.general@lausd.net)



<https://www.lausd.org/oig>



OIG

- Misuse of LAUSD funds and resources
- Retaliation for reporting misconduct
- Anyone can make a report
- Reports are confidential - you may remain anonymous if you wish